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Officials Hold Talks at Crans Montana Forum

Slovene, Croatian Prime Ministers Meet

AU1706174194 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 17 Jun 94

[Report by Suzana Kos from the Crans Montana economic forum in Switzerland]

[Excerpt] The chairman of the morning plenum, Czech President Vaclav Klaus, called on the participants to think primarily in two directions: about the changes that could be seen over the past year in the participating countries themselves, and in their relations with foreign countries.

The first one to speak about his experiences this morning was Slovene Prime Minister Janez Drnovsek. He presented the encouraging results that our country has accomplished. He drew attention to the growth in GNP, which is expected to amount to 5 percent this year. He also spoke of the stability of our currency, inflation, which is under control, and decreasing unemployment. Drnovsek very adamantly pointed at the blackmail by Italy which has blocked Slovenia's access to the European Union because of unresolved bilateral relations between the countries. For this reason, Prime Minister Drnovsek said after talks with Croatian Prime Minister Valentic, it is particularly in the interests of Slovenia and Croatia to resolve open questions and thus consolidate their international positions.

Today the Slovene and the Croatian representatives mostly discussed three pressing issues that are burdening the relations between the countries: the Zagreb branch of Ljubljanska Banka, the Krsko nuclear power plant, and the sea border in Piran Bay.

Regarding the nuclear power plant, there are no longer any major differences. Concerning Piran Bay, Slovenia cannot step back from its position. Regarding the issue of the Croatian savers, there is still a difference amounting to approximately 250 million German marks, Prime Minister Drnovsek said:

[Begin Drnovsek recording] It has transpired once again, just like during our last meeting, that it is impossible to find solutions for certain areas individually, and the question poses itself whether we should perhaps resolve them in a package; that is, in a package where giving way on one issue would mean gaining on another. Prime Minister Valentic and I actually discussed such a hypothetical speculation or offer. [passage omitted] [end recording]

Klaus Views Talks With Slovaks

LD1806200294 Prague Radiozurnal Radio Network in Czech 1600 GMT 18 Jun 94

[Text] [Announcer] Talks between the Czech and the Slovak Government delegations ended a little while ago at the Crans Montana in Switzerland. The delegations are headed by Prime Ministers Vaclav Klaus and Jozef Moravcik. After their talks the Czech prime minister granted an exclusive interview to Czech Radio, in which he summed up the talks.

[Begin Klaus recording] As far as the topics are concerned, these are the issues which keep returning. I think it is appropriate on this level to say [word indistinct]. I will sum this up for you.

First, the issue of our unfortunate certificates. I think that the new element is that Slovakia has recently held talks with the European Communities about easing the situation for the European Communities in this sphere. This means that they will not require certain certificates. In fact it would be a measure discriminating against the Czech side if Irish, Portuguese, and Danish exporters are not obliged to acquire certificates, while Czech exporters would be obliged to acquire them.

We received an assurance, an unequivocal assurance from the Slovak side, an assurance which I perceive as a very positive one, that, first, nothing has been signed with the European Communities, only talks have been held; second, the Slovak side considers it self-evident that if such an agreement with the European Communities is concluded, it is clear that it will be applied automatically in the same way for the Czech Republic. Therefore, any discrimination can be ruled out. I think that this is the first important thing.

I would appreciate if our mass media make this clear because it is unfortunate to quote each other untruthfully. I would be really grateful to you if you could communicate this clearly.

Second, we spoke about the so-called old bloc—all of us know what it means. Both sides have expressed interest in abolishing this old bloc, in putting it forward to the two parliaments to approve this. This means that the Slovak parliament has to do so by August, when it is to hold its last session before the elections. We would put this forward to our parliament at its July session because it does not hold any session in August.

Yes, there is an interest in abolishing the old bloc in the way which would make it impossible for any obligations to emerge between the two states, between the governments or between the government and enterprises in the given country. This means tackling the issue of any remaining relations on the level of enterprises. This is an important conclusion. It is unequivocally formulated and I think this is a good result, too.

Third, the old bloc concerns a payment agreement that will require an amendment concerning the abolition of the old bloc. This will of course be put forward to the two parliaments.

We have been alarmed by some statements made by the Slovak side about the necessity or lack thereof to revise the payment agreement as such. We reached an unequivocal assurance that we consider the clearing mechanism

to be something that makes payments between enterprises of the two countries easier. Neither the Czech side nor the Slovak side see any reason for abolishing the payment system based on the clearing relation between our countries. We may improve or modify some of its particular points. We should not indicate to each other that one side wants to abolish it; that is untrue, and it would worsen and complicate our relations. This is the third important conclusion.

The fourth important conclusion which I would like to sum up is that the Slovak side repeated what we are saying as well: We are extremely interested in preserving the customs union. Those few sentences once uttered by somebody on this or the other side, the sentences which were in some way interpreted—correctly or not—in the media, are contrasted by statements made by the Slovak prime minister, the Slovak deputy prime minister for economic affairs, the finance minister and the economy minister—that is, by the four fundamental representatives of the Slovak Republic in this sphere—and expressing, I repeat this, an unequivocal interest in preserving the customs union and not providing space for speculations.

I think I have warned about the necessity of preventing sentences which might be interpreted in different ways from leaking to the media. We do not do this and would much appreciate the other side not engaging in this. This is, in my view, the fourth important conclusion.

The fifth conclusion is to take the border issue into the implementation phase. This is an important issue. There is an exception to the disputed area about which the Slovak side has clearly said that their side finds it impossible to make concessions —the issue of the so-called Kasarna—but otherwise it seems possible to conclude all the other issues. I think it is good to conclude these things. This would mean doing away with yet another problem.

The Slovak side says that they simply do not perceive the Kasarna issue as one which might be solved by handing the territory over to the Czech Republic. The only option is to introduce specific conditions in this region, opening a special border and roads, introducing a special norm there which would make it possible for numerous Czech owners of recreational compounds in this area to function normally, and subsequently to do the best to meet the needs there. They simply consider it impossible to hand over this area. This statement is necessary to take into account as a statement by the full-fledged Slovak representation. I have heard it and I am taking it into account.

We spoke also about property issues. A certain option emerged of a different method of registration, transfer of debts, perhaps a technical amendment. However, I repeat that it is not possible to make a breakthrough in this matter as at present, prior to the elections, the Slovak Government does not have a mandate to take any radical new step. I simply cannot do anything else than to take reality into account.

Finally, the last thing, which is not unimportant, is that we spoke once again about the need to follow up our close cooperation—I would rather call it indirect cooperation—which existed in the past also with the previous government, making the maximum effort to support each other whenever it is possible as far as foreign policy issues are concerned, where our interests are similar, and simply to tend to help each other rather than failing to do so. I think this, too, is in our mutual interest. [end recording]

Klaus on Talks With Delegations

LD1906112994 Prague Radiozurnal Radio Network in Czech 1000 GMT 19 Jun 94

[Excerpt] The Universal Economic Forum ends in Crans Montana in Switzerland today. In addition to plenary sessions and discussions within sections, bilateral talks also played an important role. Our special correspondent Lucie Weissova tells us about those in which the Czech delegation was involved.

[Weissova] [Czech] Prime Minister Vaclav Klaus held talks with the host Swiss delegation, from whom he received an invitation to pay an official visit to Switzerland. He also talked to representatives of the smaller states of the former Soviet Union: Moldova, Georgia, Armenia, and Belarus. He told us the following about the contents of those talks:

[Begin Klaus recording] What I consider significant is that these countries explicitly see the model being effected by the Czech Republic as being the model for them to follow. We have even firmly agreed that for both Moldova and Georgia we might be prepared to send a certain delegation of our experts, who would advise them as to the logic of the whole transformation process. [end recording] [passage omitted]

Albania's Meksi on Reform, Balkans

AU1906201094 Tirana TVSH Television Network in Albanian 1815 GMT 19 Jun 94

[Text] The Crans Montana Forum has ended proceedings in Switzerland. Here's our reporter Reis Cico:

[Cico] A delegation from our country attended the Crans Montana Forum in Switzerland. Prime Minister Aleksander Meksi, who heads the Albanian delegation, took the floor today. In his speech Meksi made a summarizing overview of the changes and developments in Albania, pointing out achievements in political, institutional, legislative, and economic reform.

Prime Minister Meksi said that the results achieved in these two years of democratic government encourage us to go quicker toward the road of transformations and the

country's democratization. The changes and transformations toward the construction of a new democratic society in former socialist countries, Meksi stressed, require above all a favorable climate of international relations and an increase in technical and economic assistance on the part of relevant bodies.

Dwelling on Balkan problems, Prime Minister Meksi said that Albania thinks that the United Nations and the Western countries should contribute more to the establishment and preservation of peace in our region. After condemning the aggression in Bosnia, Meksi stressed the danger that the spread of the conflict to the south of the Balkans would include many regional countries in a direct war. Meksi continued to say that Albania considers it compulsory to preserve stability in the Balkans and maintains that problems should be solved through dialogue, he concluded.

All the Crans Montana Forum participants addressed an appeal to the Western countries to contribute more to the democratic transformations of former socialist countries, considering this an investment for Europe.

Prosecutor Requests Sentences for Alia, Others

AU1806182494 Tirana TVSH Television Network in Albanian 1800 GMT 18 Jun 94

[Text] Today, in the trial of the defendants Ramiz Alia and nine high-level functionaries of the communist regime, Prosecutor Neshat Fana read the summation:

[Begin recording] [Fana] Mr. Chairman, gentlemen of the judicial body: Considering the judicial investigation complete and the evidence presented on my part to justify fully the charges against the defendants, I finally ask:

1. To declare defendant Manush Myftiu guilty of the criminal act of abusing position and violating the equality of citizens, defined by Articles 106 and 13 and 107 and 13 of the Penal Code, and convict him respectively with five years of imprisonment on condition. In merging the verdicts, defendant Manush Myftiu is convicted with five years imprisonment on a five-year time condition.

2. To declare defendant Adil Carcani guilty of the criminal acts of abusing position and violating the equality of citizens, defined by Articles 106 and 13 and 107 and 13 of the Penal Code, and convict him respectively with five years imprisonment on condition. In merging verdicts, defendant Adil Carcani is convicted with five years imprisonment on condition for five years time.

3. To declare defendant Ramiz Alia guilty of the criminal acts of abusing position and violating the equality of citizens, defined by Articles 106 and 13 and 107 and 13 of the Penal Code, and convict him respectively with eight and five years imprisonment. In merging verdicts, defendant Ramiz Alia is convicted with 10 years imprisonment.

4. To declare defendant Rita Marko guilty of the criminal acts of abusing position and violating the equality of citizens, defined by Articles 106 and 13 and 107 and 13 of the Penal Code, and convict him respectively with eight and five years imprisonment. In merging verdicts, defendant Rita Marko is convicted with 10 years imprisonment.

5. To declare defendant Simon Stefani guilty of the criminal acts of abusing position and violating the equality of citizens, defined by Articles 106 and 13 and 107 and 13 of the Penal Code, and convict him respectively with six and four years imprisonment. In merging verdicts, defendant Simon Stefani is convicted with eight years imprisonment.

6. To declare defendant Hekuran Isai guilty of the criminal acts of abusing position and violating the equality of citizens, defined by Articles 106 and 13 and 107 and 13 of the Penal Code, and convict him respectively with six and three years imprisonment. In merging verdicts, defendant Hekuran Isai is convicted with six years imprisonment.

7. To declare defendant Aranit Cela guilty of the criminal act of abusing position, defined by Articles 106 and 13 of the Penal Code, and convict him with seven years imprisonment.

8. To declare defendant Zylyftar Ramizi guilty of the criminal act of abusing position, defined by Article 106 of the Penal Code, and convict him with six years imprisonment.

9. To declare defendant Rrapi Mino guilty of the criminal act of abusing position, defined by Articles 106 and 13 of the Penal Code, and convict him with four years imprisonment.

10. To declare defendant Veiz Haderi guilty of the criminal act of abusing position, defined by Article 106 of the Penal Code, and convict him with three years imprisonment.

The verdict is effective from the day of arrest or the day of being confined at home.

11. To accept the request of civil indictment of the Prosecutor's Office for defendants Ramiz Alia, Manush Myftiu, Rita Marko, Adil Carcani, Hekuran Isai, and Simon Stefani.

Tirana, 18 June 1994

Prosecutor Neshat Fana. [end recording]

[Judicial body Chairman Celiku] Thus, the judicial body decided to listen to the defense speeches by the defendants and their defense counsels not for one week, but for five days, which means at 0900 on Thursday. Today's session is over. [end recording]

Videnov on Early Elections, Dissent in BSP

AU1706140694 Sofia STANDART NEWS in Bulgarian 14 Jun 94 p 16

[Interview with Zhan Videnov, chairman of the Bulgarian Socialist Party Supreme Council, by Teodora Encheva; place and date not given]

[Excerpts] [Encheva] Mr. Videnov, do you want to be prime minister?

[Videnov] I want Bulgaria to have a lasting, efficient, and leftist-centrist government. I think that the voters will soon resolve this issue. I have often said that Bulgaria will hardly be an exception to the other East European countries, where the composition of leftist-centrist cabinets is formed after complex coalition negotiations that often have an unexpected or unconventional result.

[Encheva] I meant your personal ambition.

[Videnov] I have neither sick ambitions nor an inferiority complex. Both the Bulgarian Socialist Party [BSP] and I could cope with such a challenge. [passage omitted]

[Encheva] Why did you sacrifice Georgi Pirinski as a member of the BSP Executive Bureau? You know that he will not work together with Doncho Konakchiev and Nikola Koychev. He repeatedly stated that their economic policy concepts are incompatible with his. Could you comment on him withdrawing his candidacy and resigning as deputy chairman of the BSP parliamentary faction?

[Videnov] Georgi Pirinski did not know the entire membership of the Executive Council, but he was informed about Doncho Konakchiev and Nikola Koychev. I am sure that this is not the reason he withdrew his candidacy. I rather think that his personal decision was influenced by the plenum's discussion, which showed that the new membership is firmly determined to implement the congress decisions regarding early elections in the fall.

[Encheva] Do you mean that Georgi Pirinski does not want elections?

[Videnov] Only he could answer this question. I think that his decision was influenced by certain economic measures that the cabinet and parliament are adopting now. They could produce a positive effect in the fall, if we have political stability. However, it would be an illusion to hope that things will proceed at a good pace in the legislative sphere. I would not dramatize his resignation from the post deputy chairman of the parliamentary faction, because he said that he wants to work in the Supreme Council organs, and as far as I am concerned, I will help him. [passage omitted]

[Encheva] Could you say when there will be elections?

[Videnov] The elections issue must be resolved this year. Theoretically, this proposal was already discussed by the BSP leadership last fall. Now we are certain that early elections will take place.

[Encheva] Prior to the congress you were more categorical regarding having the elections this fall....

[Videnov] Technically, the end of October-beginning of November is the best time for elections. Afterward it will be too late to develop an election campaign, form a new cabinet, prepare the new budget, and so forth. Naturally, not all political forces take those criteria into consideration and surprises of all kinds are possible. Therefore, the degree to which one could be categorical is limited. [passage omitted]

[Encheva] Do you think that the influence of Aleksandur Lilov and Andrey Lukanov over you has decreased after the 41st BSP Congress?

[Videnov] The influence of noted BSP figures over party policy has always been implemented through their participation in the party's leading organs and not through the party chairman.

[Encheva] Do you think that Aleksandur Marinov will form an ideological current within the BSP, as he said in his STANDART NEWS interview?

[Videnov] No, I do not think that our ideological differences are that great. The BSP does not need a new ideological current. The time when inner party and personal problems were resolved in such a manner is over, therefore, I think that such a step has a very low probability. I think that this is rather intensified activity on the eve of the referendum on the party program. I assume that Mr. Marinov will be among the participants in the discussion related to the party program. [passage omitted]

ASLP Deputy Chairman Views Party's Future

AU1706194694 Sofia TRUD in Bulgarian 14 Jun 94 pp 1, 3

[Interview with Asen Michkovski, National Assembly deputy for the Alternative Social-Liberal Party, by Todor Tokin; place and date not given]

[Text] [Tokin] Mr. Michkovski, unlike most of your colleagues in the ASLP [Alternative Social-Liberal Party], you have not yet left the NSD [New Alliance for Democracy].

[Michkovski] I am still considering my decision. I think there is always time to leave any organization, including a parliamentary group. In this case, I am following the old Bulgarian proverb: "The quick bitch gives birth to blind pups." The main qualities that anyone who calls himself a politician in Bulgaria should have are patience and sober thinking. In politics I only support pragmatic actions that can really lead to something important. I have proved this during the last five years. The ASLP, of

which I am deputy chairman, also displayed its pragmatism, and I hope that this will continue in the future.

[Tokin] The ASLP was expelled from the SDS [Union of Democratic Forces] because it supported Professor Berov's government. Have you any regrets that this happened?

[Michkovski] ASLP Chairman Nikolay Vasilev most accurately described the ASLP's expulsion from the SDS when he said that the SDS is shedding its own brains. All in all, this has been confirmed. Prof. Vasilev's definition has even been surpassed by the SDS leadership's cretinism. The recent acts of the so-called blue coalition can only be described in specialized medical literature. Psychopaths, cretins, and people who cannot see further than their own noses have dug a grave for the coalition, so that it has no importance for Bulgaria's future. The actions of Filip Dimitrov, Edvin Sugarev, and other individuals with unstable psychological and hormonal conditions have succeeded in really turning the SDS into a sect, making them people of no importance for the next National Assembly, in which they will have 10-12 seats. They have little chance in the struggle for power, and they do not even want power. They were in power, and at the moment they have a unique opportunity to seize it again, but they do not want to. Their only aim is to remain eternally in opposition and to guarantee places for themselves.

These are people with no love for their fatherland. Their blind allegiance to the United States or to anyone else, acting as if Bulgaria was a satellite, has completely destroyed the country's image. They continue to go about abroad defaming their native land. In general, these people are bankrupt.

[Tokin] Will the ASLP not expel you because of your refusal to obey the decision of the ASLP Political Council to leave the NSD?

[Michkovski] The ASLP is the most democratic structure in Bulgaria. Its organizational statute does not provide that its decisions are binding on anyone, and this includes the ASLP deputies. Furthermore, I have not said that I will not leave the NSD, I am simply making use of the democratic provisions of the party's statute to follow my democratic convictions.

[Tokin] Do you then concur with the reasons given by your colleagues who have left the NSD, such as Prof. Nikolay Vasilev and Georgi Kostov?

[Michkovski] I have absolute respect for the motives of all of them, including the individuals whom you mentioned. We simply differ in our assessment of the political moment, and most of all the political future of such an act. I do not consider that any formation that proclaims itself as so-called liberals can win the elections in Bulgaria, nor even form part of the political spectrum. Bulgaria is a state with a totalitarian past, so that here the reforms can only be carried out slowly and gradually, and on this subject I myself might admit my mistakes. I too was a supporter of the shock therapy, but this was about two and a half or three years ago. Now I think quite differently. Bulgaria's evolution toward becoming a modern state should proceed calmly, without shocks and without stigmatizing anyone.

[Tokin] What do you think about the BSP [Bulgarian Socialist Party]?

[Michkovski] What the BSP should do, but has not yet done, is very simple. It needs public legitimization both within and outside the country. It should admit the errors of those whom it succeeded and condemn those responsible for bringing the country into the present situation, but in no event is anyone entitled to strip the BSP of the right to be a legitimate political force. I am no supporter of the BSP and cannot be one, but, objectively considered, things show that the Bulgarian Socialists have a correct strategy and, all in all, it is only a question of time before they assume power. In general, I think that in the next parliamentary elections, whenever they take place, a left-of-center coalition will really sweep away everything else from the Bulgarian political scene.

[Tokin] Does the ASLP have a place in this coalition?

[Michkovski] This I am not sure about. In the final event, the congress is the body that can define our political allies, coalitions, and so on. I believe that social liberalism has a place in such a coalition, everything is a question of how one weighs things up. However, this should never be regarded as an act of petition. The ASLP is the most intelligent political formation and it has proved this during the last three years: Starting with an organization consisting of a group of 28 people, it fought its way to power; it has taken part in power for two and a half years, and I think that it will remain a fact in the government of the country for a long time to come.

[Tokin] Will you personally continue to support the government?

[Michkovski] I personally support only those of the government's actions that relate to solving national problems, such as the efforts to finalize the settlement with the creditor banks of the London Club. I also support all actions by any department of the Bulgarian Government that are aimed at privatization and increasing the proportion of private ownership in the country. I support any actions by the government that encourage the development of Bulgarian national capital and create successful Bulgarian businessmen. With the same proviso, I also support what the government is doing to forge an independent Bulgarian foreign policy.

[Tokin] Does the NSD have a future?

[Michkovski] It never has been a political formation, merely a parliamentary alliance created to support sensible legislation, nothing more. Politically speaking, the NSD has never had any particular chances, and the same is true of the future. Only the strong and emerging party formations have a future.

[Tokin] Your colleagues who left the NSD claim that one more government may be formed within the term of this parliament. Do you share this view?

[Michkovski] I am skeptical. The only possibility is an SDS government, but the degree of cretinism within the SDS leadership has gone beyond all normal bounds. The Berov government is the last government that this parliament will have. I believe that no one in the country really wants elections, and I do not think they will be held this autumn. However strange it may seem, Prof. Berov's weak government will turn out to be quite tough and will last until the end of 1994.

[Tokin] A Sofia daily called you "the terminator." How do you react to this description?

[Michkovski] I can only express gratitude for such an assessment, but unfortunately my own view is different. I am a calm and normal person with no claims of being a terminator.

Klaus Discusses Losses From FRY Embargo

AU1806135894 Prague MLADA FRONTA DNES in Czech 14 Jun 94 p 13

[Article by "ajk"]

[Text] Prague—Economic losses incurred by the Czech Republic as a result of UN sanctions against the warring Federal Republic of Yugoslavia [FRY] exceed $290 million—that is, 8.7 billion Czech korunas [Kc]—states Prime Minister Vaclav Klaus in his reply to an interpellation of Communist Party Deputy Vratislav Votava.

Although the former CSFR made use of the possibility of asking the United Nations for partial compensation of the damage, along with Bulgaria, Hungary, Romania, and Ukraine, its negotiations with the UN Security Council have not produced any results. "In view of the UN's difficult financial situation, the possibilities of compensation must be assessed realistically," Klaus states.

Losses in the sphere of foreign trade amount to $259.4 million. Of this sum, $190 million (Kc5.7 billion) are foreign trade enterprises' claims in former Yugoslavia. The loss of another $69.4 million (Kc2.1 billion) is due to the failure by the republics of former Yugoslavia to cover their debt stemming from the clearing account between former Yugoslavia and the Czech Republic.

One-off damages suffered by organizations of the Ministry of Industry and Trade amount to $17 million (Kc510 million). They result from nonliquid company claims and the costs associated with the halting, owing to the UN sanctions, of some planned deliveries to former Yugoslavia, work on which had already started.

Damage in the sphere of transportation represents Kc82.9 million, of which some Kc80 million is accounted for by the loss of fees in railway transportation for transit from former Yugoslavia. On the other hand, the Czech Republic profits from the fact that civilian aircraft are banned from flying over the territory of Serbia and Montenegro and use international air routes over the territory of our Republic, for which they pay overflight fees.

Losses incurred from the stricter regime for transit of natural gas to Croatia and Slovenia have been estimated at $13.7 million.

Claims Filed for Losses Due to Embargo on Iraq

AU1706194094 Prague HOSPODARSKE NOVINY in Czech 14 Jun 94 p 3

[Article by "dz": "Czech Losses Resulting from the Occupation of Kuwait"]

[Text] Prague—The Czech Republic estimates the level of its losses caused by the military invasion and the subsequent occupation of Kuwait by Iraq at $385 million and has submitted the relevant documentation to the UN Commission for Compensations. A total of 19 Czech organizations have filed claims for $333 million. Most of the damage results from unpaid deliveries and projects. The largest claim, for $108 million, comes from Technoexport Prague a.s. Other claimants include, for example, the Zetor Brno state enterprise and Strojexport Prague, which claim $90 million each. The list of claims submitted to the UN Commission also includes the Finance Ministry's claim for $52 million. The Czech ministry (and its federal predecessor) has paid this sum to Czech organizations in order to alleviate their losses. Most of this sum was used to pay interest on loans for claims "frozen" in Iraq. Miroslav Havel, director of the State Budget Section at the Ministry of Finance, told HOSPODARSKE NOVINY. Money for this purpose will also be allocated from the state budget's contingency reserves this year. Within the framework of the Czech Republic's overall claims, the Ministry of Foreign Affairs demands compensation of $11,000 for losses incurred by the former Federal Ministry of Foreign Affairs during the evacuation of its staff or due to the loss of some embassy property. In the opinion of M. Havel, the compensation for damage by the UN will be a protracted affair with an uncertain outcome.

Skoda To Supply Nuclear Equipment to Ukraine

AU1706194594 Prague MLADA FRONTA DNES in Czech 14 Jun 94 p 13

[Article by "pol"]

[Text] Plzen—The Skoda Jaderne Strojirenstvi [Nuclear Engineering] Plzen company will supply compact grids for the spent fuel pool of the Rivne nuclear power station in Ukraine. Twenty percent of the order has already been paid for. Another 60 percent of the payment is due to arrive in the next few days. If it does, Jaderne Strojirenstvi will supply the corresponding part of the ordered equipment by the end of June.

According to Vaclav Lobovsky, director of Skoda Jaderne Strojirenstvi, this contract should, first and foremost, explore the ability of Ukrainian nuclear power stations to pay. Jaderne Strojirenstvi had signed a letter of intent with Derzhkomatom [State Committee for Nuclear Energy], their umbrella organization.

Skoda hopes to obtain $150 million (4.5 billion korunas) worth of orders on the basis of this contract, to be realized gradually until the end of the year 2000. This is the sum at which the letter of intent estimates the needs of the four Ukrainian nuclear power stations equipped with VVER [water-moderated water-cooled] reactors—Rivne, South Ukrainian, Zaporizhzhya, and Khmelnytskyy.

According to Karel Wagner from Skoda Jaderne Strojirenstvi, who participated in a seminar on Czech regulatory drives in the South Ukrainian nuclear power station, Skoda's program has been received well. By its design, the equipment offered by Skoda also enhances the nuclear power stations' safety.

In addition to reactor grids and drives for regulatory systems, Skoda Jaderne Strojirenstvi wants to assert itself on the Ukrainian market with hermetic cable bushings [kabelove hermeticke pruchodky], spare parts, and operational inspections of the pressure vessels.

RDP Group Withdraws Arms-Trading Application

AU1706155094 Prague MLADA FRONTA DNES in Czech 10 Jun 94 p 1

[Article by Jaroslav Kmenta]

[Text] This week, the RDP Group arms company has withdrawn, at the very last moment, its application for a license to trade in military material. The Ministry of Industry and Trade has confirmed this. The arms consortium took recourse to this maneuver after it learned that government authorities were about to reject the issuance of the arms-trading permit.

The Defense Ministry had serious objections against Jan Vlcek, director of the company. At the former Federal Defense Ministry, he was engaged in X-Trade, a subsidized organization of the Army that sold off surplus military technology to foreign countries.

In view of the dubious activities of the representatives of this consortium in Iran recently, the Foreign Ministry wanted to support the stance of the Defense Ministry. In its confidential document, they even said that the RDP Group did more harm than good to the interests of the Czech Republic. "We recommend that this company be urged to show 'restraint' in its activity," diplomats said.

The licensing administration of the Ministry of Industry and Trade was to announce a negative stance to the RDP Group by the end of this week. In that case, the RDP Group consortium, which associates about 40 arms enterprises, was under the threat of not being able to conduct trade in arms at all for at least a year. According to the law, a firm whose application has been denied must wait one year to reapply for permission to export military material.

Not being allowed to trade in military material would significantly damage the RDP Group because trade in arms was one of its goals when the consortium was established—apart from coordinating domestic production of military technology and participating in the replacement of the Army's arsenal. Experts estimate that, in the course of one year, the arms company would lose transactions worth millions of korunas.

The RDP Group wants to reapply for the trade license in military material as soon as possible. After former diplomat Viktorie Hradska has been appointed to Vlcek's position, arms manufacturers expect that ministries will be more inclined to meet them halfway.

NATO Commander on 'Very Valuable' Visit

LD1706133494 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 17 Jun 94

[Text] General Marinus Wilmink, commander of Allied NATO Land Forces in Central Europe, ended his four-day official visit to Slovakia with talks in the Defense Ministry in Bratislava. He also met with journalists at a brief news conference. Bernard Roztecky has the details:

[Roztecky] After his talks with Andrej Sabol, state secretary in the Slovak Defense Ministry, Gen. Marinus Wilmink assessed his first official visit to Slovakia as very valuable. He appreciated the mutual understanding as well as the sharing of views on some military issues. He pointed out that future cooperation will benefit from such trust.

According to General Julius Humaj, Slovak Army commander in chief, who was present at the concluding talks, cooperation will take place in three main areas: the development of new organizational structures in our Army—that is, a transition to the system of army corps and brigades similar to that of NATO. The other areas cover the introduction of logistics systems in army units and simulated training and other training for battle, areas in which NATO has rich experience.

State Secretary Andrej Sabol also assessed the political aspect of the talks, especially in relation to our participation in the Partnership for Peace program. He recalled that our initiative to set up a NATO consultation center in Bratislava met with Gen. Wilmink's understanding. The general appreciated the need for more intensive sharing of experience.

The commander of NATO land forces in Central Europe will leave for NATO headquarters in Germany this afternoon.

SDSS Split Over Cooperation With SDL

AU1706141194 Bratislava SME in Slovak 15 Jun 94 p 2

[TA SR report: "J. Hruby: The Purification of the Social Democratic Party of Slovakia Is No Longer Possible"]

[Text] Bratislava—The Social Democratic Party of Slovakia (SDSS) is at the bottom. The coalition agreement with the Party of the Democratic Left on the joint course of action in the early parliamentary elections is too binding for them and deprives them of their identity. This is what SDSS Deputy Chairman Jozef Hruby says in the declaration he provided to TA SR yesterday, through the Press and Information Department of the Movement For a Democratic Slovakia [HZDS].

The enormous debt, amounting to tens of millions, and the permanently reappearing attempts by principal functionaries at violating their own statuses have disturbed the peaceful ranks of the SDSS so much, J. Hruby continues, that the need to establish an authentic social democratic party is being discussed more and more openly. In his opinion, it is difficult to expect a reversal at the meeting of the SDSS Central Council, which is to take place on 25 June. Those who are against the planned merger with the Party of the Democratic Left are most likely to ignore it and will not come. Those who are hesitating or have fear will be silent, and, as soon as the Central Council has a quorum, the supporters of the merger will push through their cause.

Jaroslav Volf is likely to enter SDSS history as the SDSS's most successful liquidator. It is a sad thing that he often uses the name of Alexander Dubcek as a shield. In view of his attitudes, it is immoral, Hruby said at the conclusion of the declaration.

The SDSS Central Council Presidium rejected Hruby's declaration as fictitious, unfounded, and subjective. It is allegedly motivated by his personal failure to get his name on the preliminary list of candidates for parliamentary elections in 1994 in the order he would like to have seen.

SDSS Breakaway Faction Seen as HZDS 'Game'

AU1706192294 Bratislava SLOVENSKY DENNIK in Slovak 15 Jun 94 p 2

[TA SR report: "Party of the Democratic Left Does Not Interfere in Disputes Within the Social Democratic Party in Slovakia; There Has Never Been Talk of Merger"]

[Text] Bratislava—The Party of the Democratic Left [SDL] approaches the Social Democratic Party in Slovakia [SDSS] with respect, treating it as a partner party. It has never had the ambition to interfere in its internal affairs. This was stated by SDL Deputy Chairman Milan Ftacnik in response to the statement issued by SDSS Deputy Chairman Jozef Hruby. Ftacnik said that there did not exist a single SDL document or working paper that would talk about a merger with the SDSS.

On the other hand, in the document entitled "Draft Concept of the Movement for a Democratic Slovakia [HZDS] Course of Action in the Preelection Period in the Foreign Policy Sphere," it is stated on page 7, under item 6.5: "Can a merger of the HZDS with the Social Democratic Party be considered in the future?" SDSS Deputy Chairman Jozef Hruby should therefore turn his attention in another direction, Milan Ftacnik noted.

The SDL statement goes on to say: "We know that the left-wing coalition of the SDL, the SDSS, the Farmers Movement, and the Green Party in Slovakia [SZS] is a thorn in the flesh of certain circles in the HZDS, which has found itself in international political isolation and remains without a clear-cut profile. The question arises whether this voice from within the SDSS is not all too reminiscent of the departure of a small group from the SZS, which had also rejected a democratically drafted and approved coalition agreement in the name of the preservation of the party's authenticity and objections to the SDL and started to establish a new party and simultaneously send out signals to the HZDS.

The game of breaking up the [HZDS's] most serious political and electoral competitor, the Left Choice coalition,

apparently continues. It bears testimony to the nervousness and lack of self-confidence of those who organize it from behind the scenes.

Leaders of SDSS Factions on Party Split

AU1706190094 Bratislava PRAVDA in Slovak 16 Jun 94 p 2

[Article by "TA SR, ao": "Lone Soldier in the Field; Chairman and Deputy Chairman of the Social Democratic Party in Slovakia on Disagreements Within the Party"]

[Text] Bratislava—"Chairman Jaroslav Volf knows very well that the situation in the Social Democratic Party in Slovakia [SDSS] is very tense," SDSS Deputy Chairman Jozef Hruby stated in an interview for the TA SR, adding that he cannot be bought, which the SDSS chairman knows very well.

Speaking about his attitude toward the SDSS's close cooperation with the Party of the Democratic Left [SDL], Hruby said that it was exactly the same as that of [late SDSS Chairman] Alexander Dubcek. Hruby noted that, during elections to the SDSS Central Council at the last party congress, he had received the largest number of votes of all candidates. In spite of that and in spite of his being SDSS deputy chairman, he had been offered the 46th place on the joint slate of candidates [of the Left Choice coalition of four left-wing, agrarian, and green parties]. He added that not every SDSS member was buying the honey-sweet rhetoric [not further specified], which is why it is quite possible that the party will split into two entities. He said that it was questionable whether Jaroslav Volf's friends from the SDL would still be interested in the Social Democratic appendage that will stay with Volf.

Yesterday, we asked SDSS Chairman Jaroslav Volf: "Your party is supposedly falling apart. Is that true?"

He replied: "It is possible that some people harbor this wish. Farmers and Greens had already been targeted, and I suppose it is now the Social Democrats' turn.... I believe, however, that this is just the effort of certain people from the outside to exploit the personal disappointment of individuals who have not been successful on the slate of candidates or, possibly, a case of failure to comprehend that the preservation of the party's identity is not incompatible with a coalition, which can, moreover, spread Social Democratic ideas and give them much greater publicity and a chance also in parliament and the government. I cannot but assess these efforts by individuals as an attempt that will most likely not meet with a favorable response in our party. Quite the contrary. These people are actually sealing their own fate."

Moravcik on Uniting Liberal Parties in Center

AU1706163194 Bratislava SME in Slovak 15 Jun 94 p 2

[Interview with Prime Minister Josef Moravcik by Maria Hluchanova and Jan Pankovcikova; place and date not given: "We Have Revived the Idea of Merging the Liberal Parties of the Center"]

[Text] [SME] The Democratic Union [DU] has offered the National Democratic Party (NDS) the opportunity to run on its list of candidates in the elections. What made you take this step?

[Moravcik] This is nothing new. We spoke with Mr. Cernak and his colleagues a long time ago. We may not have reached an agreement at that time, but it is a different situation now, and we thought it was necessary to discuss once again the original project, which is still attractive. The parties of the center that are oriented more or less liberally should unite, and this is why we have revived this idea.

[SME] Could you specify in what respect the situation is new? Several weeks ago, the DU Republican Council presented a final resolution of your party to run independently in the elections, and Mr. Cernak discussed preelection cooperation with the Christian Democratic Movement....

[Moravcik] We spoke about establishing a confederation of parties of the center before the elections. There is not enough time for this, however. Now, the opportunity has arisen to reach agreement with the NDS on a joint list of candidates.

[SME] So, we were mistaken when we thought that the DU's lists of candidates had been closed?

[Moravcik] They are not. Within our party, we agreed on the leaders in the individual electoral regions.

[SME] The Democratic Union announced that it was open to negotiations with the Democratic Party (DS)....

[Moravcik] Yes, we are fulfilling the project about which we spoke—a gradual merger of the parties of the center. This is important for Slovakia mainly from the viewpoint of the crystallization of the political scene. We are trying, and will try, to fill the center and the gap right of the center. However, this will require more time than the time we have left before the elections in the fall.

[SME] What places are you offering to the NDS and the DS on your lists of candidates?

[Moravcik] The talks will continue. It is premature to speak about it for the time being.

SDL Chairman Views Coalition Options

AU1706191194 Bratislava NARODNA OBRODA in Slovak 16 Jun 94 pp 1, 3

[Interview with Peter Weiss, chairman of the Party of the Democratic Left, by Julius Gembicky; place and date not given]

[Text] The Party of the Democratic Left [SDL] is the backbone and the core of the Left Choice [electoral alliance formed by the SDL, the Social Democratic Party in Slovakia, the Green Party in Slovakia, and the Farmers Movement]. Because of its stable preferences in preelection polls, it has good prospects for the fall elections. In spite of this,

it is being alleged that there are disagreements among its leaders, a rift within the party, and even a secret plan on a postelection coalition with the Movement for a Democratic Slovakia [HZDS].

[Gembicky] Mr. Weiss, under what circumstances would the SDL be ready to form a coalition with the Meciarites after the elections?

[Weiss] If we had the certainty that no HZDS deputy would give the Nazi salute in parliament [allusion to a recent incident in parliament, during which HZDS deputy Ivan Luptak greeted Ludovit Cernak, deputy chairman of parliament, who has black hair and wears a moustache, with a "Heil Hitler"] and that the policy of this movement, which incites the people and sets Slovaks against one another and Slovaks against Hungarians, will change; if they stopped fabricating theories about a conspiracy against the Slovak Republic and if we had the certainty that their policy will be based on expertise and that HZDS representatives will be able to abide by agreements and will give up the idea of steamrolling and breaking up other parties by rectifying or dismissing their leaderships. It would be possible if we were linked, moreover, by a relative proximity of our programs. In that case, we would be ready to consider even a coalition with the HZDS.

[Gembicky] Does all of this apply to a coalition with the HZDS even if it is headed by Mr. Meciar?

[Weiss] I do not think the problems of HZDS policy are caused only by the personality of Vladimir Meciar, even though he did everything within human power to damage relations with all of the other parties. The extempore performance staged in parliament by Ivan Luptak demonstrated what kind of undercurrents there are in this movement and in which direction it could evolve. The decision about what will happen after the elections will be made by the voters, but the further direction of the evolution of the HZDS must be determined by this movement itself. The HZDS is in evident foreign political isolation, and, despite its considerable influence in our society, it has also drifted into domestic political isolation. Its inability to prepare any coalition is proof of this.

[Gembicky] Do you concede the possibility of the formation of a coalition with the HZDS, including Vladimir Meciar, after the elections, in case it shows interest in it?

[Weiss] If the HZDS keeps reverting to the political tone it uses vis-a-vis the SDL, I must raise the question of whether he who spends his entire energy on breaking up his future partner can be trusted as a partner for cooperation.

[Gembicky] Would the SDL reject postelection cooperation if the demand of the HZDS or its chairman was: Yes to the SDL but without Weiss and [SDL Deputy Chairman] Ftacnik?

[Weiss] I do not think the HZDS will be in a situation, after the elections, in which it will be able to set conditions. Such an ultimatum is unacceptable to us. The decision on with whom we will enter into a coalition will be made by the Republic Council or an SDL congress.

[Gembicky] The SDL's preferences are relatively high, and the Left Choice could have the decisive influence on the formation of the government coalition after the elections. What is the ranking of the SDL's potential partners?

[Weiss] In view of the proximity of programs and acceptance abroad, the Democratic Union of Slovakia [DU] is the most natural ally. After all, a leftist-liberal coalition is nothing exceptional in the world. We would again offer cooperation to the Association of Workers of Slovakia (ZRS) and, depending on the correlation of forces, we would consider other potential partners. We continue to proceed from the idea that the depth of the crisis in Slovakia and the complexity of the tasks that will have to be tackled by any government are so huge that broader cooperation will have to be sought. And such cooperation rules out diktat by any of the partners.

[Gembicky] Did you come across any negative reactions to the rejection of cooperation with the HZDS during your recent meetings with the [SDL] mayors of towns and villages in central and eastern Slovakia?

[Weiss] Both citizens and mayors understand why it was necessary to support the vote of no-confidence in Vladimir Meciar. This is not the SDL's main problem. The SDL's problem is, rather, that some of our members and supporters cannot comprehend why we entered into a coalition with the right-wing Christian Democratic Movement [KDH]. The emotional reactions to some statements by KDH representatives about the SDL before the 1992 elections are still vivid in memory. Because we had to say a resolute no to the confrontational style of politics, the systematic search for an enemy, and the neoparty [neostranicka] terminology of labeling anyone a traitor, a janissary, and a saboteur, it was necessary to look for allies.

It was necessary to put an end to the political crisis generated by the HZDS and the Slovak National Party [SNS], two political entities without a clear-cut profile, by their falling apart. A minority government would be unable to accomplish this. That is why a new majority was found that was able to stabilize the situation and agree on calling early parliamentary elections.

The historical dimension must be taken into account as well. Slovakia has experienced several political coups since 1938. Each of them produced many losers, who can become exponents of longing for revenge and the settling of accounts. It is very important for Slovakia not to exhaust its energy on hatred but on cooperation. A coalition of the left, the center, and the right is a certain experiment in Slovak political life. However, it forces all political parties to cooperate, in defiance of differences in their programs. Slovenia has had good experience with such a coalition, and a red-black coalition [of Socialists and the conservative People's Party] is working well also in Austria.

The KDH, too, is having problems accepting the SDL as a coalition partner. However, if we were to build only on negative experience, it could easily happen that we would stop talking to one another and be unable to shake hands. My idea of politics is such, however, that, regardless of

different programs and divergent political values and irrespective of a tough electoral contest, we must not hate one another.

[Gembicky] Do you concede the possibility of the coalition with the KDH continuing after the elections, should this become necessary?

[Weiss] This possibility is open but so are other options. The HZDS's speculations and calculations with the SDL's breakup are self-serving. The dictum I am the strongest current [allusion to a statement by Vladimir Meciar] does not apply to the SDL. The SDL is not founded on a single political star. It has a constellation of experienced politicians. Even though these personalities have different views on some tactical steps, we discuss these differences democratically in order to arrive at a common opinion.

Cernak Explains Break in Talks With KDH

AU1706191394 Bratislava PRAVDA in Slovak 16 Jun 94 p 2

[Interview with National Democratic Party Chairman Ludovit Cernak by Martin Krno on 15 June; place not given]

[Text] The lunchtime telephone conversation between Jozef Moravcik and Ludovit Cernak on 9 June shuffled the cards on the preelection political scene. That is to say, surprisingly, the National Democratic Party-New Alternative [NDS-NA] stopped flirting with the Christian Democratic Movement [KDH] and started to pat the shoulders of the Democratic Union [DU] in an amiable manner. Yesterday, we interviewed NDS Chairman Ludovit Cernak on the reasons for this change.

[Krno] It seemed just a week ago that your electoral alliance with Jan Carnogursky was already as good as secured. What contributed to the decision to abandon your preelection wooing of the KDH?

[Cernak] Politics is the art of compromise and the art of bargaining. Despite this, we have proceeded in a clear-cut and fair manner. We stated publicly again and again that we would be most happy if all five entities in the political center and right of center were to go into the elections together. Our next priority was for a centrist policy and, following up on this, we were willing to consider the KDH offer. The change in the DU's point of view was a decisive occurrence. We informed the Christian Democrats of this immediately. The point of view that strengthening the center will improve the prospects for the future broad ruling coalition's electoral success is indeed pragmatic and sensible. The DU is a priority for us; the political grouping that the Alternative for Political Realism, the Alliance of Democrats, and the NDS formed in expressing no confidence in the former government has, naturally, crystallized as a movement of the center. The public received it positively on the whole. Therefore, we are pleased that there has been a change in the DU's point of view. I have to say, however, that our approach toward the KDH in the talks was correct.

[Krno] You surely asked the DU's representatives what led them to change their decision because the Union's Republican Council adopted a resolution recently that it would enter into the elections independently...

[Cernak] I did not delve into the essentials of why they changed their mind. I assume that it was their realization of their responsibility for the policy of the center. After all, the existence of lots of tiny little parties is nonsense. The best thing for them would be to merge—and not only two of them—into a single entity after the elections and formulate a professional policy with strong support.

[Krno] Into a single entity? As into one party?

[Cernak] Yes.

[Krno] In what form should you enter into the parliamentary elections with the DU?

[Cernak] The DU has made us an offer that is in fact technically the same as the KDH offer—this means, opening its lists of candidates to members of other political entities.

[Krno] As far as the number of elective places are concerned, will you be in a better position than you were with the KDH, which offered you the chance of five seats in the National Council?

[Cernak] We will be in about the same position.

[Krno] On 13 June, when we asked at a Movement for a Democratic Slovakia [HZDS] Deputies' Club briefing what kind of conclusions they intended to come to with regard to their colleague Ivan Luptak for his conduct [giving the Nazi salute to Cernak] in parliament, they said that this was in reaction to your improper handling of the National Council meeting. Why did you handle it undemocratically?

[Cernak] I disagree fundamentally with this claim. These are the twists and turns and excuses of a movement that is incapable of adopting a tough point of view on the statements and conduct of its own deputy. I am convinced that this was a short circuit on the part of Mr. Luptak. However, one has to pay for short circuits in life and especially in politics. The HZDS Deputies' Club should distance itself clearly from such statements made in parliament. I have read the stenographic record of the meeting carefully. I definitely proceeded in accordance with the rules of procedure.

Poll Reveals Slight Change in Parties' Support

AU1706192394 Bratislava SLOVENSKA REPUBLIKA in Slovak 16 Jun 94 p 3

[Article by "(zl)": "Miklos Duray Is the Most Unpopular"]

[Text] Representatives of the Center for Social and Marketing Analysis (FOCUS) yesterday made available data from a poll conducted to ascertain public opinion before the parliamentary elections in the fall. It is apparent from the poll that, in the wake of the volatility on the political scene in March, the situation has calmed down and that

there has been a slight increase in support for the Movement for a Democratic Slovakia [HZDS] and a slight decline for the Party of the Democratic Left [SDL]. The Democratic Union [DU] has a real chance of getting into parliament.

The poll's results in response to the question "Why would you vote?" are interesting. In essence, the replies can be placed into four categories. Support for a party or movement was predominant in the first category; up to one-quarter of the respondents would vote in accordance with this support. The second category is made up of respondents who give priority to asserting group interests. The replies of workers, national economic minorities, believers, and those favoring the Slovak nation were predominant in this category. Those who give priority to the programs of the political parties were ranked in the third category. The last category was made up of respondents who would vote for a personality. They accounted for 12 percent of the respondents. A typical response to the question on why they would not vote was: "No party is worthy of my vote."

According to the FOCUS poll, the greatest trust is enjoyed by M. Kovac (22.8 percent), V. Meciar (22.2 percent), J. Moravcik (21.7 percent), and Peter Weiss (14.1 percent). L. Cernak received only 2-percent support. In reply to the question "Who do you consider to be very pleasant?," the respondents said the following: M. Kovac (29.9 percent), J. Moravcik (29.9 percent), I. Gasparovic (23.4 percent), V. Meciar (22.5 percent), and P. Weiss (22.2 percent). In reply to the question "Who do you consider to be unpleasant?," the rankings were as follows: Miklos Duray (64.2 percent), Jan Carnogursky (52.6 percent), and Vojtech Bugar (50 percent). V. Meciar is unpleasant for 41.5 percent of respondents. According to FOCUS, J. Volf (with 6.7 percent) came last in this category.

Some 7.1 percent of respondents acknowledged that they were unequivocally left wing, 6.7 percent that they were unequivocally right wing, and 44.1 percent that they were more toward the center. Almost half of the respondents would prefer a "market economy, if the state influences it to a considerable extent."

[The same newspaper on the same date on page 1, under the headline "Many Candidates—Few Chosen," carries the following table, based on FOCUS's analysis of replies to the question "Imagine that new parliamentary elections were to be held this weekend. Which party or movement would you vote for?"

	Percent
Don't know	8.7
Don't want to say	3.8
Would not vote	7.6
Other replies	0.6
Hungarian Civic Party	0.9
Christian Social Union	1.1
Party of Businessmen and Entrepreneurs	1.9
Social Democratic Party of Slovakia	2.1
Slovak National Party	2.8
National Democratic Party-New Alternative	2.8
Hungarian Christian Democratic Movement	3.3
Democratic Party	3.6
Egyutteles [Coexistence]	3.8
Green Party in Slovakia	3.9
DU	6.0
Association of Workers of Slovakia	7.1
Christian Democratic Movement	7.3
SDL	11.6
HZDS	20.8

Prime Minister Moravcik on Privatization Process

LD1706200494 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 17 Jun 94

["Regular" interview with Prime Minister Jozef Moravcik by correspondent Martin Bartisek; place and date not given—recorded]

[Excerpt] [passage omitted] [Bartisek] A new entity has emerged on our political scene—the New Slovakia movement. Honorary Chairman Rudolf Mosny has proposed the abolition of the Ministry for Administration and Privatization of National Property. What do you think about his proposal? It is possible to assume, to a certain degree, that it was put forward by a man of some experience. Moreover, he says that, in our country, privatization has become a political instrument. I am, in fact, asking two questions.

[Moravcik] I agree with both of them. As far as turning privatization into a political issue is concerned, we spoke out about this already some time ago, and we are striving to depoliticize privatization. From this viewpoint, it is possible to agree with this idea. However, as far as the activities of our Cabinet are concerned, we strive to respect the above principle strictly—that is, we would not like privatization to be an arena of political influence by individual parties, to be carried out so that supporters of one or the other party gain some unfair advantages. This will have a very negative impact. If privatization is being linked to policy, it should be only economic policy. This is our aim. This means that privatization should support the Cabinet's economic policy.

The measure we adopted today is aimed at this—we proposed releasing 3.5 billion korunas of the money we gained or are going to gain through privatization of national property. We want to release this money to give an impetus to the development of our economy.

[Bartisek] However, your reaction to the call for the abolition of the Ministry for Privatization was positive.

[Moravcik] At present, there are still reasons for the existence of the ministry, given the current concept of privatization as outlined in the Privatization Act. If we change this concept, which is defined by the current norms, we might even imagine abolishing the Ministry for Privatization. It is, of course, possible to discuss this issue. However, the implementation of this idea before the elections can be excluded. [passage omitted]

Goncz Views Election Result, New Government

LD1806130894 Budapest Kossuth Radio Network in Hungarian 1000 GMT 18 Jun 94

[Passages within quotation marks are recorded]

[Text] President Arapd Goncz is of the view that the aim of the coalition talks between the Hungarian Socialist Party [MSZP] and the Alliance of Free Democrats [SZDSZ] is national reconciliation. The president of the Republic gave an interview to Kossuth Radio just before our program. Regarding the elections, the head of state said that they took place in an orderly manner and that the people voted for changes.

[Goncz] "The election result is obvious. The country's political will is clearly revealed. It cannot be questioned; its legality cannot be questioned. If we wish to analyze the reasons, such as whether the country voted for or against something, the debate on this will probably last for a while. It is a difficult test of conscience for everybody.

"The country wanted modernization, progress. It wanted to move toward security of existence. I am convinced that the country wanted a change in style, which is by all means positive.

"The country disliked something very much. I think that the country did not like the style, because we consequently forgot, or were inclined to forget, that the bourgeois mentality of the country had progressed, under the surface, even during the 40 years of communist rule in spite of their intentions. So a society with a rather bourgeois and secular character came into existence, and its system of values in essence differed from the system of values and symbols of the previous four years. It can be understood that all the parties are currently battling with the problem of self-definition.

"The SZDSZ, as the second winner in my opinion, must decide whether to join a coalition or not. And the greatest winner, the MSZP, must clarify how much it will dare and how much it will have to accept from its past and how much it can reject from its past, and with whom and to what extent it can become a modern social democratic party within the four-year cycle."

[Announcer] Regarding his talks with the six parties in parliament, Arpad Goncz said that in his view not all of the organizations have yet managed to find a new identity.

[Goncz] "I saw the intention to be in the opposition and to face the facts. [sentence as heard] I saw the difficulty of facing the facts, and in some cases I saw the intention of escaping from reality."

[Announcer] The head of state also evaluated the coalition talks up to now.

[Goncz] "National reconciliation is definitely an aim. A Hungarian is not another Hungarian's enemy. If we do not try to keep selecting who is and who is not Hungarian, then I think there will be room for everybody here, and it is in our commom interest to build the country for everyone's benefit."

[Announcer] Arpad Goncz described the fact that Socialist Party Chairman Gyula Horn laid a wreath together with Erzsebet Nagy, daughter of Imre Nagy, as one of the first signs of national reconciliation.

[Goncz] "If Gyula Horn wanted to pay tribute and express feelings of this kind, then with the gesture of laying a wreath at the symbolic grave of the 1956-ers and at the grave of Imre Nagy, together with Erzsebet Nagy, daughter of Imre Nagy, he simply expressed something without words."

[Announcer] In conclusion, Arpad Goncz cautioned against the new goverment laying its hands on the press because, according to the president, this affair could explode at any time.

Boross Views Problems of New Coalition

LD1906092594 Budapest Kossuth Radio Network in Hungarian 0800 GMT 19 Jun 94

[Text] According to the outgoing prime minister, the government's experiences of the past four years will be very much missed in the coming period. Speaking on the "Sunday Newspaper" radio program, Peter Boross expressed the view that the coalition now being formed is not unified. At the same time, the outgoing head of government also stressed that it is in interest both of the country and of the Hungarian Democratic Forum that a successful government be created.

He said also that this year there was a turnabout in the economy. Inflation and unemployment fell and productivity improved. At the same time, he believes that a wrong assessment was made at the beginning of the system change in the region about how much time is needed for people to become more satisfied with their lives. According to Peter Boross, this requires 10-15 years.

The outgoing prime minister believes that a government which does not take up the vital issues of Hungarians beyond the borders and does not make a stand in their interest does not deserve the trust of the Hungarian people.

Preliminary Data on Warsaw Election Results

LD1906214694 Warsaw PAP in Polish 2129 GMT 19 Jun 94

[Text] Warsaw, 19 Jun—According to preliminary data obtained by the Public Opinion Research Center, the local government elections in Warsaw have been won by the Freedom Union and Self-Government [Unia Wolnosci I Samorzadnosci] (21 percent of the vote), followed by the coalition of the Democratic Left Alliance and the Polish Peasant Party (19 percent), "Wiadomosci" bulletin has reported.

The Right Together coalition (composed of the Confederation for an Independent Poland, Center Alliance, and the Union of Real Politics) came in third, with 14 percent of the vote. Center-Right for Warsaw was fourth, with 7 percent. The Union of Labor got 6 percent.

The turnout was between 25 and 30 percent.

Preliminary Local Government Election Results

LD2006073494 Warsaw Radio Warszawa Network in Polish 0700 GMT 20 Jun 94

[Text] According to the initial and still incomplete results of the self-government elections held yesterday, the Democratic Left Alliance [SLD] has won in Bedzin, Bydgoszcz, Czestochowa, Kielce, Konin, Koszalin, Legnica, Lodz, Olsztyn, Plock, Suwalki, Walbrzych, and Wloclawek.

In Lublin, almost the same number of votes was received by candidates of the SLD, the center-right, and the Freedom Union [UW].

In Warsaw, victory went to a coalition of Freedom Union, the Conservative Party, and the Peasant-Christian Party; in Gdansk, Gdynia, Krakow, and Wroclaw to the Freedom Union. The center-right received the greatest number of votes in Bialystok, Chorzow, Lomza, Przemysl, Rzeszow, and Torun.

The turnout was low—between 25 and 40 percent. The official results of the self-government elections should be known on Friday, State Electoral Commission Secretary Kazimierz Czaplicki told this station today.

Walesa Interviewed at Gdansk Polling Station

LD1906160794 Warsaw TV Polonia Network in Polish 1500 GMT 19 Jun 94

[Interview with Polish Prime Minister Lech Walesa by an unidentified correspondent at the Gdansk polling station on 19 June—recorded]

[Text] Polling stations opened at 0800 hours: 27.5 million Poles eligible to vote will elect 52,000 councillors for 2,500 parish councils. President Lech Walesa and his family voted in Gdansk at 1215.

[Correspondent] President Walesa arrived at the polling station after attending Mass at the St. Stanislaw Kostka Church in Gdansk-Oliwa. His wife and daughter accompanied him to the district polling station.

President, how do you assess the work of local government in the previous term in office?

[Walesa] I think that in these conditions and after such a long time of being deprived of democratic liberties, local government has really achieved a lot. A lot, but the needs were even greater.

[Correspondent] What do you expect from councillors who will be elected for the coming term?

[Walesa] I hope they will learn from the experience of their predecessors and that they will concentrate even more on the most important issues to meet the demands of small communities, that they will resolve problems important to specific regions.

[Correspondent] President, do you not think that a possible victory of the Polish Peasant Party may halt the political reform and decentralization of the state?

[Walesa] This is unlikely and is not possible because the circumstances are different. That is the first reason. The second reason is that the system operates itself now. Politicians are not in the position to do much harm. They can make it difficult but not sufficiently difficult to destroy what has already been started.

[Announcer] Correspondents from all over the country report that the elections are taking place peacefully. Interest has not been great so far. On average, there are eight candidates for one seat in multiseat constituencies, and three candidates in single-seat constituencies. In Chelm and Elblag Provinces, Senate by-elections are also being held.

Poll on Election Preferences Reviewed

WS1706143994 Warsaw RZECZPOSPOLITA in Polish 17 Jun 94 pp 1-2

[Article by R.W.]

[Text] A week before the self-governmental elections, 60 percent of adult Poles intended to take part in the voting (35 percent of them knew this for certain). Over 40 percent still had no idea who they would support. The most numerous group of respondents intended to support nonpartisan candidates; as for political parties, the most popular was the Democratic Left Alliance [SLD], followed by the Polish Peasant Party [PSL] and the Union of Freedom [UW]. Almost every sixth respondent did not know the party to which "his" candidate belongs. The poll was carried out by the Sopot Public Opinion Research Institute [PBS] at the request of RZECZPOSPOLITA.

Even though 60 percent of respondents declared that they are willing to go to the polls, the final voter turnout should be estimated at a considerably lower level. Opinion researchers have already often noticed that actual voter turnout is indeed closer to the number of people whose answer to the question concerning their intention of voting was "definitely yes." There are 35 percent of them, so we can expect a turnout of approximately 40 percent. These calculations are also confirmed by specialists from the Center for Research on Public Opinion [OBOP]; this center has obtained almost identical results as the Sopot institute.

Among those who will go to the polls in the greatest numbers are people with higher educations (nearly 60 percent of them are absolutely sure they will vote), the richest people, people employed in the budget sector, white-collar workers of higher and medium levels, and parliamentary voters of most of the well-known parties. This particularly concerns the former "Fatherland" coalition, of which the Christian-National Union is the main component, as well as the Union for Real Politics, the former Democratic Union, and the Polish Peasant Party-Peasant Accord. More than 50 percent of representatives from these groups say that they will certainly go to the polls.

The greatest reservations can be observed among poorly educated respondents, rather poor people, manual workers, especially unskilled workers, and housewives.

People who declare the desire to vote very frequently do not yet know which name they will choose on 19 June. Total lack of knowledge is declared by 44 percent of respondents in this group; 22 percent have their favorites but are still hesitant. Only every third respondent knows for certain who he will support.

Most disorientated are young people, with vocational education, with low incomes, the unemployed, school and university students, and those who supported the former Liberal-Democratic Congress and the Nonparty Bloc in Support of Reforms [BBWR] in the parliamentary elections. The least doubts are expressed by respondents between the ages of 40 and 59, with higher education, well-off individuals, and peasants and representatives of the managerial cadre.

Every fifth respondent (20 percent) says that the candidate he is going to support does not belong to any party; every sixth (17 percent) person is not able to identify himself with any particular grouping. The rest are going to support a candidate fielded by one of the political organizations. Most frequently mentioned are the SLD, the PSL, and the UW (which received much lower preference ratings than during the parliamentary elections). Between 1 and 2 percent of respondents are going to vote for each center-right party.

* * *

A PBS poll for RZECZPOSPOLITA, conducted on 11 and 12 June; a 1,043-person representative sample of adult inhabitants of Poland. The OBOP poll, conducted between 20 and 25 May, consisted of 1,079 interviews conducted with a random sample of adult inhabitants of Poland.

Are you going to vote in the self-governmental elections?	
Definitely not	18 percent
Probably not	16 percent
Probably yes	25 percent
Definitely yes	35 percent
Hard to tell	6 percent

Which political grouping does the person you are going to support in the self-governmental elections represent?	
20 percent	Nonpartisan
16 percent	SLD
14 percent	PSL
9 percent	UW
5 percent	Union of Labor
3 percent	Independent Self-Governing Trade Union "Solidarity"
3 percent	BBWR

Note: Table includes only those parties that were most frequently mentioned by respondents.

Walesa Says Left 'Better Prepared' To Govern

LD1706183294 Warsaw PAP in Polish 1620 GMT 17 Jun 94

[Excerpts] Wroclaw, 17 Jun—President Lech Walesa arrived in Wroclaw this afternoon, where he is to attend tomorrow's graduation parade of officer cadets of the Tadeusz Kosciuszko Mechanized Troops College graduating with the rank of lieutenant. [passage omitted]

When asked if he was not afraid that the left would win in the local government elections on Sunday, Walesa replied that he divided people into active and inactive, and the active people into less or more prepared. "Whatever we may say, inside the left, because it was in power for 50 years, people are better prepared. And that is normal for the times we live in. The right has to learn and learn again, and, in a short time, it will be in power. It depends on the learning—if there are a lot of prize pupils, it will be quicker," the president told journalists.

Strike at Katowice Steelworks Suspended

LD1806080094 Warsaw PAP in Polish 0635 GMT 18 Jun 94

[Text] Katowice, 18 Jun—The strike at Katowice Steelworks, which has been in effect since 1 June, was suspended this morning. The suspension will be in force until all demands are met and a new pay agreement coordinated, Mariusz Kwasniowski, of the steelworks' information office, reports.

He added that as agreed between the strike committee and the management, each worker will get a pay raise of 1.5 million zlotys gross per month, with effect from 1 May.

Strikers at Warsaw Steelworks Begin Sit-In

LD1806083594 Warsaw Radio Warszawa Network in Polish 0800 GMT 18 Jun 94

[Text] A sit-in began this morning at the board offices of the Lucchini Steelworks in Warsaw. Jacek Gasiorowski, cochairman of the Solidarity strike committee, said this form of protest will last until the board begins negotiations with the strikers.

The dispute at the Lucchini-Warszawa Steelworks began on 9 June. The steelworkers are demanding a pay raise of 30 percent and that modernization of the steelworks be undertaken by the Italian owner. The strike has been organized jointly by Solidarity and the National Trade Union Alliance [OPZZ].

Olechowski on Poland's EU Membership Hopes

PM2006084294 Gdansk DZIENNIK BALTYCKI in Polish 10 Jun 94 pp 1, 3

[Interview with Polish Foreign Minister Andrzej Olechowski by correspondent Barbara Szczepula; place and date not given]

[Text] [Szczepula] We claim that Poland's membership in the European Union [EU] will bring advantages not only to Poland but also to Europe. Is this claim indeed justified?

[Olechowski] The greatest advantage to all will come from a lasting reconciliation between Poles and Germans, along the lines of the French-German reconciliation. It will mean the elimination of a source of potential conflicts at the center of the European Continent.

The second advantage will stem from the fact that Poland's accession to the EU will enhance Europe's potential for competition with other economic centers around the world. This is because Poland will bring to the EU certain new resources, such as, for example, the highly qualified but still inexpensive labor force. This will result in lowering the average production costs throughout the EU's entire territory and also bringing down the prices of the goods manufactured there—which, in turn, will make them more competitive.

Poland's integration into the EU will also enhance the wealth of Europe's cultural and civilizational assets. I am referring here to our particular type of creative sensibility, which is different from its Mediterranean, English, and German counterparts. We bring to Europe our own styles and currents in the literary, musical, and visual arts. In other words, we simply bring our own identity. This is because we must not view Europe exclusively in terms of economic achievements and modern products; after all, it is true that our production record in these spheres is still comparatively low.

[Szczepula] In your opinion, is the date of Poland's accession to the EU a distant prospect? We recently saw a report by a U.S. scientist, Richard Baldwin, who asserts firmly that we should not entertain any dreams of Poland becoming an EU member during the next 20-30 years because our country is simply too poor and its agrarian structure is far too antiquated. On the other hand, we have been estimating that we might be joining the EU by the year 2000.

[Olechowski] If the EU membership was restricted categorically to wealthy countries, neither Greece nor Portugal nor Spain would have been accepted in the first place—nor, for that matter, somewhat earlier, would Italy have. I believe that the most important criterion is that of similarity of the political and economic situation of the particular aspiring country and the already existing European Community. That would entail the requirement for democracy and a market economy. Well, we know that Poland is moving in these very directions.

What does accession to the EU mean, in fact? It means opening up our goods and services market, and that is what we are already doing within the framework of the EU association agreement; it also means a joint capital market, labor market, and so on.... If there is one area I am concerned about, it is Polish agriculture.

Our agriculture is totally incompatible with the Western agricultural system. It would not be possible today to extend the European agricultural policy over our own farming system. In EU countries, some 3-7 percent of the population works in the agricultural sector, whereas in Poland the corresponding proportion is 25 percent. Our budget would not withstand an agrarian policy conducted according to the principles in force in the Union. In this sphere, we really do need more time. However, let me remind you that, when Spain was joining the EEC, its agricultural sector presented the greatest problem, too. Consequently, a longer period was allowed for adjustment in the agricultural sector, and somehow or other it managed to adjust. We will manage, too. In addition, we should remember that, because of the Maastricht Treaty, the EU not only is an economic community but also shares a common line in the spheres of foreign policy, security, and justice and internal affairs. In these areas, there are no obstacles at all to immediate integration.

[Szczepula] How do you assess the Polish public's readiness to accept integration into the EU?

[Olechowski] Polish people are open and ready for cooperation. The odd instances of xenophobic behavior can be explained by the present difficult economic situation in our country and a sense of frustration about the fact that, having achieved the truly momentous feat of overthrowing communism, we nevertheless failed to overcome quickly enough the civilizational recession we are still suffering now. However, let me repeat that, on the whole, we are open to new development. Even the popular saying, "A guest in the house brings God into the house," attests to our attitude. In addition, we are usually a tolerant people. Please note that Poland is the only state in this part of Europe that has signed good-neighbor agreements with all of its neighbors, despite the fact that we share a very complex historical past with four of them—namely, Russia, Germany, Lithuania, and Ukraine. This shows that we are good at arriving at a compromise. In a community of nations, the ability to give up a proportion of one's interests in the name of the common good is an extremely important asset.

[Szczepula] You said recently that the Baltic is now becoming as important for Europe as the Mediterranean. This offers a big chance to Poland and, in particular, our littoral regions.

[Olechowski] This promises to be a fascinating development. Until recently, the EU was associated exclusively with the Mediterranean region, but these days the Baltic Sea is becoming more and more important for Europe. Before long, there will be four EU countries with a Baltic coast: Germany, Denmark, Sweden, and Finland. Soon, they will be joined by Poland as well as Lithuania, Latvia, and Estonia. This will certainly create a whole new situation. I believe that we will shortly be discussing that situation during the approaching forum of the Baltic States Council.

[Szczepula] Recently, Professor Zbigniew Brzezinski expressed his concern about the conviction, apparently prevalent in Poland, that it will be impossible for us to overcome the crisis without the backing of foreign capital. In his opinion, the situation is exactly the opposite: It will be Poland's emergence from the crisis that will attract foreign capital. Do you agree with this view?

[Olechowski] The thesis that we will not make it without outside help is incorrect because, with a relatively moderate influx of capital, we have already begun to emerge from the crisis. It is true that the eye is attracted more by the healthy and the rich than the sick and the poor, but, if we are to increase our wealth, certain conditions must be met. We do need foreign capital in order to expand our investment. Economists estimate that we could easily afford 5.8-percent economic growth.

[Szczepula] Beginning on 1 July, the EU will be presided over by the Germans. As I understand, you classify that development as advantageous for Polish integration aspirations. What can we count on with the Germans?

[Olechowski] The Germans favor us not only in their declarations but also in their actions because they themselves have an obvious interest in it. Consequently, it is natural that they should support Poland in its rapprochement with the EU. As we have already said, this rapprochement need not mean immediate membership because there is a need for a transition and adjustment period in the economy. However, the EU itself can accelerate the process of our conjunction by offering us its assistance in a more binding declaration. We are especially interested in hearing the EU member states declare unequivocally that they want to see Poland become a member of their community. This would mobilize us to more efforts and, at the same time, would oblige the EU member states to extend assistance to us in these efforts.

[Szczepula] As you outlined the main directions and principles of Poland's foreign policy in your Sejm address, you said that the one of the most pressing needs is to change the stereotyped image of Polish people to which foreigners subscribe. Do you believe that, over the past years, we have changed so much that these stereotypes are no longer accurate?

[Olechowski] Yes, I believe so. However, the way from changing a set pattern of behavior to changing people's stereotyped perception of our behavior is neither simple not obvious. Let us consider the expression "Polnische Wirtschaft" ["Polish economy"; used in a derogatory sense]. We might think that these days the phrase "Polnische Wirtschaft" would begin to denote an economy that has outstanding results in the field of market transformation and that recorded the highest growth in Europe over the course of the past year. But it is not so. The phrase still carries strong pejorative connotations. Consequently, we must make an effort to advertise our achievements more widely and energetically, and to point out how much we have changed. We must convince Europe that we are Europeans. We must send it a set of our latest pictures.

[Szczepula] Let us hope that one of these new pictures will include the Europartenariat conference, which is taking place at this moment. Thank you for talking to us.

Imported Used Machinery Hurts Local Producers

94EP0066C Warsaw RZECZPOSPOLITA (ECONOMY AND MARKET supplement) in Polish 27 May 94 p 6

[Article by Edmund Szot: "Old Farm Machinery Is Selling, New Is Not"]

[Text] Polish producers of farm machinery assured us for many years that they were not afraid of foreign competition. The farm machines produced in the West, they said, are on average two to three times more expensive than ours, and the slightly cheaper machines from the East are two to three times worse than ours.

The possibility of importing used machines from the West was forgotten. They are generally much cheaper than the Polish machines, and the quality of materials used in them is equal to ours, as are their operating advantages. What happens, therefore, is that a farmer buys a machine that is already several years old but figures that, on his small farm, the machine will still work for 10 or perhaps even more years. The effects of this kind of thinking are felt most by the producers of combine-harvesters.

Last year Polish farmers bought 2,101 used combine-harvesters in the West, while, during this same period, the Plock factory was able to sell only 195 "Bisons." It is said that three times more farm trailers and beet harvesters were imported than were sold domestically. In other types of farm machinery, the effect of import was not as great; nevertheless, it was not looked upon with joy by domestic producers. For example, last year farmers bought the following equipment abroad: 374 spraying machines, 1,800 plows, 247 cultivators, 570 harrows, 229 sowing machines, 186 planters, 199 fertilizer spreaders, 510 presses for gathering hay and straw, 783 combines and diggers for gathering potatoes, 332 root toppers and combines for gathering beets, 14 manure spreaders, 3,023 farm trailers, 468 mini-tractors, and 3,340 tractors. And, although the above figures include both new and used equipment, one can guess that most of these machines have already done their job for the bauer [German word for farmer] and are now helping the farmer in Poland do his work—because the imported machines come mainly from West Germany. Import from Austria, second on this list, is several times smaller.

The import of this used farm machinery is causing Polish producers a great deal of trouble. Union members in the farm equipment factories recently protested against it, and the Ministry of Agriculture and Food Management is also looking at it with displeasure. In the past, it supported the attempts to protect domestic production of tractors, and today the import of tractors of the type produced by "Ursus" carries a 35-percent duty (on the import of others, the duty is 15 percent).

There is only a 6-percent border tax on the import of used farm machines, which is too small an impediment. And so other methods of halting or limiting the import of used machines are being sought. A requirement to obtain a so-called energy certificate has been instituted, and now there are plans to require possession of a "B" symbol, which machines that fulfill Polish work-safety requirements receive.

"There is a proposal that the Ministry of Foreign Economic Cooperation request the Tribunal in The Hague to halt the sale to Poland of used combine-harvesters, says Jerzy Szymanski, deputy director of the department of land management and countryside infrastructure in the Ministry, but, after a year, the situation will return to its previous state anyway.

Finance Minister, Union Leader on Agreement

AU1706191094 Bucharest Radio Romania Network in Romanian 1900 GMT 16 Jun 94

[Text] After signing the convention between the Romanian Government and the Alfa Cartel National Trade Union Confederation, Florin Georgescu, state minister and finance minister, and Alfa Cartel leader Bogdan Hossu made the following statements to the press:

[Begin Georgescu recording] The negotiations that concluded tonight took place, most of the time, in a constructive atmosphere, and in our opinion their results are in accordance both with the need to continue and accelerate reform, on the one hand, and, on the other, with the imperative of raising the standard of living of all our citizens.

Practically, the conclusions contained in the convention concluded between the government party and the trade union party establish the principles and the methods of negotiating salaries over the coming time, but this has to be in accordance with the performance of our economy and with the financial means of the companies in question. Similarly, the convention also establishes methods and ways by which we can avoid that the macroeconomic situation, which has became quite stable over the recent months, should be endangered by the phenomenon of inflation, the evolution of the national currency exchange rate, and everything they imply, regardless of how future negotiations between the employers and the trade unions will evolve.

In our opinion, the final form of the convention concluded between the two parties observes both the principles of market economy, which are being strengthened in our country, and the democratic way they manifest themselves for the parties engaged in negotiations and in the erection and consolidation of the market economy. [end recording]

[Begin Hossu recording] After three days of intense and sometimes quite tense negotiations, the two parties managed to finalize them by signing tonight a convention which manages to solve the unblocking of the admissible funds [deblocarea fondului admisibil], in view of negotiations on the salary system at the level of companies. Besides, we obtained an increment of the minimal salaries throughout the economy, which will have beneficial effects, above all for pensioners and for unemployment benefits granted to the jobless.

On the other hand, we established that over the next week we could possibly finalize, under the patronage of the prime minister, the negotiation of the collective labor contracts at the national level.

The government decisions that used to regulate the retirement of employees and the social protection granted to certain disadvantaged professional categories, such as the miners or employees in the chemical and the oil processing industry, were altered so that the employees in question are now protected.

Considering that during the negotiations we concretely solved our four claims, our national trade union confederation, with the consent of the participants in the rally, decided to suspend this action. Everyone is to leave for home and clear Victory Square. [end recording]

Coposu Discusses Monarchy Option

AU1606172594 Bucharest ROMANIA LIBERA in Romanian 8 Jun 94 p 3

[Interview with Corneliu Coposu, president of the National Peasant Christian-Democratic Party, by Roxana Badralexi; place and date not given]

[Text] [Badralexi] Mr. Coposu, why do we all have the feeling that everything ends in smoke?

[Coposu] Generally Romanians are fatalistic people and display this mood when they see that their sustained and repeated efforts yield no concrete results. For four years, people have been waiting for changes for the better, but we are moving from bad to worse. Thus, two groups of people take shape: some vindicative ones who are building up an indignation that is very dangerous for social stability, and another group which includes people who become apathetic and embrace the fatalistic theory that nothing can be changed anyway. This second group was the reason for the large number of expatriates, who are, unfortunately, mainly young people. One exclamation that one can hear more and more often: It was much better in Ceausescu's time.... is also justified. When you compare the zero prospects in the time of the Vacaroiu government with a situation of oppression that nevertheless ensured a minimum of misery, and when the miserable life was supplemented through theft, the options are in favor of the former regime. But let us not forget that there are also people who lived before the Communists....

Under Current Conditions Except for the Constitutional Monarchy, Nobody Is Capable of Polarizing the Trust of the Public

[Badralexi] Most of the disappointed people look with resignation toward the opposition. In this context, your recent public declaration regarding the monarchy shocked many people. Why have you made this statement now?

[Coposu] I believe that principles cannot be negotiated. The 45 years of communism imprinted in the mind of people the complex of mistrust. Two generations that were born and raised in the communist regime were instructed under the sign of lies. Those people knew that you have to think in one way and express yourself in another way. This complex still persists today. There are telling examples of this in parliament. The president, who affirms that he has embarked on the path of democracy, does not give up his Marxist-Leninist concepts. I, contrary to this group of people, had the luck to be in jail while the population of the country was practicing the complex of mistrust. I did not adopt it and

I believe that the duty of a person who is responsible for a certain political situation must be sincere and firmly affirm his principles, without resorting to petty calculations about the opportuneness of a certain attitude. I was surprised by the explosion of commentaries in connection with my statement regarding the monarchy. I said that our party voted against the current Constitution and that, as long as it is in force, we are duty-bound to respect it, but that nobody can stop us to improve it and bring it up to the level of people's expectations. The modification of the Constitution can also mean a change of the constitutional form. We believe that the democratic form that is most suitable for the difficult circumstances that our country is currently facing is the restoration of constitutional monarchy.

[Badralexi] In your case, can we talk about a historic nostalgia....

[Coposu] There is no nostalgia here whatsoever. I have strictly pragmatic arguments. They have no connection with any sentimental or romantic feelings that some people have. My arguments are not based on the desire to have royal continuity or to connect the series of rulers who were at the helm of the Romanian Principalities with the royalty that modernized Romania. However, under the current circumstances, there is nobody capable of polarizing the trust of the public and of attracting the Romanian people to make the necessary efforts, apart from the constitutional monarch. We have never concealed the fact that we are dissatisfied with the current Constitution. We have never concealed the fact that when the electorate is going to empower us with the levers of power, we are going to improve this Constitution. We have never concealed our adherence to the principles of constitutional-monarchy. Therefore, I do not understand Adrian Nastase's surprise at my statements, as if I had said something special or something new. He forgets that when I was next to him, in front of millions of television-watching people, I affirmed the same thing!

I Believe That We Are Duty-Bound To Direct the Public

[Coposu] In the same way that I cannot contest his devotion to the president, Mr. Nastase has not got the right either to show surprise at my option, which is not made in any personal interest, but in the interest of my country. The only thing this pretended stupor might do is to assist a possible diversion. As far as I am concerned, the laws of the country and democracy give me the right to present my viewpoint. More than that, I believe that I am duty-bound to prevent the options of the public and to direct it toward concrete objectives that are useful to the nation and the future of the country. I have learned from the results of current opinion polls that no more than 30 percent of the electorate favors monarchy. Why? This is the result of the job that the Communists carried out for almost half a century.

The disinformation "divisions" of the Communists, which are still in good shape today, if not even in better shape than ever, are operating through the dissemination of lies. They retain those lies that are meant to be picked up by the public and abandon the others. We cannot afford to adopt such methods and that was one of the reasons why we lost votes in the last elections. Because we did not come up with petty lies. To say that the restoration of monarchy means to take the land away from peasants is an aberration and it is unacceptable that such an idea can be born in the mind of some people who have political responsibilities.

[Badralexi] You probably understand that, for the younger generations who have no idea what monarchy in fact means, such slogans as "The King and the Homeland" are not sufficient. Why doesn't a monarchist campaign include the information, for example, on who gave land to peasants?

[Coposu] King Ferdinand and King Mihai, who else?! Who took away the land from peasants?! The Communist Party! I do not throw responsibilities at Mr. Iliescu, who—at that time—was only minister of youth or first secretary. But there is no doubt that all the nomenclatura of that time and of today agreed with taking the land away from peasants. To come now and claim that the opposition took away the land and, as a matter of fact, that Communists who are currently ruling the country returned it to peasants is a monstrosity! But let me return to what you were saying before. I have to tell you that there has not been a monarchist campaign.

[Badralexi] But why should there not be such a campaign?

[Coposu] In this case, I have to admit that the opposition could have made such a campaign. It did not do so. Why?! Because the Romanians do not know their own history. As long as we cannot find a handful of historians who can rehabilitate the truth, at least for the interwar period and the communist period, the world will remain with information shrewdly supplied at the time of communist domination. Thus, it is useless to raise issues that provoke surprise. If you talk to the young people who were born after 1945 about the institution of monarchy, they ask you what that is. As if Romania, which has never been a republic, has never been anything else, except for a republic!! Today Romania's history is being taught only up to the time of the end of World War I. Is that not convincing?!

[Badralexi] However, in your capacity as a politician, how would you plead for the restoration of the monarchy?

[Coposu] The constitutional monarch does not govern, but rule. This cannot be said about a president, who represents a political formation and who, although he is duty-bound to be equidistant, nevertheless remains the slave of the party that promoted him. Thus, instead of a person with a certain political orientation who is incapable of being independent in his judgment, we would

have a neutral referee, who is not involved in political trouble, and for whom all Romanian citizens are equal. The monarch would have the capability to notice the serious moments in history and would not act the way a president who is faithful to a party acts, that is, a president who is clinging to the prolongation of governmental agony.

It Does Not Matter To Me What the Name of the Monarch Is. I Plead for Him as an Institution!

[Badralexi] Are you referring to any president?

[Coposu] I am talking about the situation in Romania. There is no doubt that in advanced democracies it is possible that a president might be above any suspicion and does not ignore the will of the people.

[Badralexi] Let us try to speculate on something. We are talking about King Mihai, a historical personality who has been acquitted, from a moral viewpoint, by the history that has not yet been written in school books. I am referring to you and to the other political leaders in Romania. Thus, do you believe that if King Mihai, installed on Romania's throne, would be faced with a situation where he would have to mediate in a dispute between you and, let us say, Oliviu Gherman, might he take your side?

[Coposu] A constitutional king cannot take one side or the other. Apart from that, we are not talking about a dispute between myself and Mr. Gherman. Moreover, if all the FDSN [Democratic National Salvation Front, former name of the ruling party, PDSR]—we call the ruling party by a feminine name—would include only "Ghermans," I do not believe that the situation would have reached the current troubled extent. Unfortunately, Mr. Gherman, whom I even deplore, endures the pressure of cripto-Communists in his own party. But let us become serious. I am not talking about King Mihai or about myself. I am saying it only in brackets, that King Mihai, at a very early age, displayed balance, serious judgment, and a love of the homeland. But this was only in brackets. Now, I am talking about an institution. I believe that, for quite a long time from now, the constitutional monarchy is indispensable and is the only one that can ensure a democratic regime in Romania.

[Badralexi] On what are you basing your ideas when you plead for this cause?

[Coposu] The truth will emerge eventually, I am sure of it. However, there is an element that, I do not know why, is overlooked here: The famous institution that is the Romanian people has never made a mistake. Not even in crucial moments when it was kept under control by force or by lies. The Romanian people has a remarkable political intuition and we rely on it. There is a saying that the pitcher goes so often to the well that at last it breaks, and this is true. I count on early elections for next spring and then the institution I was talking about will prove itself.

The Western Policy Is a Policy of Opportunity

[Badralexi] Can we or should we count on international support in any way?

[Coposu] No, we cannot, and we have no right to do so. We have to reach the right path that we have to follow alone. It is true that the appearances are discouraging. Recently, I was again surprised by President Iliescu's behavior. It is true that I should be used to any paradox by now. However, I never cease to be surprised at certain behavior. Recently, President Iliescu promulgated the law on agricultural taxes. I nurtured a faint hope that ultimately Iliescu, who pretends to be a lover of the peasants, would not agree to sign such an aberrant law that puts a tax on the amount of land and not on income. Moreover, I can even see his picture in the newspaper, holding the arms of peasant women who are happy that a law has been voted in that forces them to pay taxes on a nonexistent income. Everything that is happening around me seems to belong to the world of fantasy. But, nevertheless, I am optimistic.

[Badralexi] Even lately, we constantly see representatives of the civilized world coming to our country and shaking hands with the current rulers, pleased with the "achievements" of the past years. Doesn't it seem that the West has accepted them?

[Coposu] The policy promoted by the West is a policy of opportunity. It is true that Romania represents a great geopolitical interest, especially in the current period. Thus, it is logical that the West tries to promote stability here in our country.

[Badralexi] However, as a witness of historic events, aren't you a little afraid?

[Coposu] ....Certainly, sometimes I think that the adventure of Western-communist relations that existed in the past might be repeated. Nevertheless I have to repeat it: I am an optimist. I believe that it is a passing stage that is nearing the end. Still, a force that is capable of destroying a nation like ours has not been born yet. Soon we will live a normal life.

Coposu's Statements on Monarchy Condemned

AU1906185994 Bucharest DIMINEATA in Romanian 9 Jun 94 pp 1, 5

[Article by Mihai Fabian]

[Text] In an unmistakable manner, Corneliu Coposu, president of the PNTCD [National Peasant Christian-Democratic Party] is making efforts—as George Padure's advertisement might say—to make the life of each Romanian "a bit better." The fact that he starts from presenting his own person, with his (social) classmates, or with his party colleagues, and that he does not show the least interest in the life of the majority of the people is his own business. However, this attitude cannot leave indifferent those many who are threatened from two sides at once. One side is represented by the fact

that, to reach his goal—the one that he has clearly and openly declared, namely, to bring back former King Mihai to the throne—Coposu and "his group" will do all they can to provoke early elections. And if they win those elections (that is what he believes) the Constitution can be changed and the ex-king, who is exiled to Versoix, will be able to return to Romania, and might even drive under the Arc de Triomphe in a jeep similar to the one that U.S. General Patton was driving during the debarkation in Normandy...

It is obvious that early elections can be provoked only by a crisis. But, we are quite aware of what a crisis means and we are sort of fed up with it. However, the change of the Constitution will have to have the approval of the electorate. This is the only note of optimism (for us) in the tenebrous threats voiced by the PNTCD leader; it is difficult to assume that the Romanian people, who spoke out for the Republic in 1991, would willingly change their options in 1995 on the alleged ground that there is no leader—certainly except for the ex-monarch—who can currently polarize the sympathy of the electorate, as Coposu affirms. It is true that a great part of the electorate does not know what the monarchy meant and might be seduced by the much-publicized slogans according to which the monarch would "save" Romania.

The other side—and unfortunately for Coposu, this side is much larger—knows what the ex-monarch really meant for our country. Thus, as far as the popular vote (we cannot help it, the expression defines the reality) is concerned, it cannot be really changed.

The more so since, while revealing such an obvious lack of competence that for a moment we almost thought that we are facing a trick that we cannot figure out, Coposu also threatens us, apart from reinstating the monarchy, with the implementation of the much-publicized integral restitution of property (restitutio in integrum). This means that such an extraordinary polarization will take place in Romanian society, and will result in such a gap between the rich (a few) and the poor (the majority) that not even the liberals, who are known for having a cure to all ailments, will be able to fill it up.

The integral restitution of all the goods that in one way or another have become state property, usually through violation of the law, would mean repairing an error by committing a much greater error. We are not referring only to a few million tenants who will see themselves thrown out in the streets, and peasants who will return to the state of serfdom, although nobody is entitled to play with the fate of these people. We are talking about the complete destruction of the work carried out by millions of Romanians for scores of years, who created factories out of small workshops, blocks of flats on empty lots that were left untended, and holiday resorts at the seaside or at the mountain, in one word a patrimony for which we have all made great efforts, but less those who, willingly or unwillingly, stayed far from the homeland and who—when Coposu's dream comes true—will not hesitate to come and claim their properties.

The distinguished PNTCD president seems not to have taken all this into consideration. Moreover, he believes in a favorable response to the intentions he clearly expressed: the restoration of the monarchy and "restitutio in integrum." The insistence he has displayed to fulfill this "credo" makes us believe that the PNTCD leader wishes no longer to be part of the parliamentary opposition. Maybe he finds the ... street more comfortable. In any event, by militating for the return of big lands to past landowners or their current successors, Coposu has proved again—as if it was still necessary—how "close" he is to the soul of these people whom we call peasants and through whose efforts Romania has always managed to get out of any impasse. Coposu added the "chance" of his unequivocal speech to the common sense of this peasant, who has always known whom his friends are. His speech will be "sanctioned" accordingly, even if it will not happen so soon. As far as the road from Republic to monarchy is concerned, we do not even bother to try to convince Coposu that for the immense majority of Romanians this is inconceivable. But one should grant him what is rightfully his! That is, we must recognize Coposu's "merit" and make thinner with every passing declaration, like the aforementioned one, the not very large group of his own camp. Through this monarchist zeal, Coposu is the best advertiser of the form of government that currently prevails in our country, that is, the Republic. In other words, Coposu is campaigning for the Republic without being aware of it...

Spokesman on Treaty Negotiations With Russia

AU1906120494 Bucharest EVENIMENTUL ZILEI in Romanian 9 Jun 94 p 10

[Article by Irina Zidaru: "Due to the Fact That No Compromise Could Be Reached, the Expression 'Elimination of the Consequences of Ribbentrop-Molotov Pact' Will Be Eliminated From the Future Romanian-Russian Treaty"]

[Text] Mircea Geoana, spokesman for the Romanian Ministry of Foreign Affairs, referring to the renegotiation of the basic Romanian-Russian political treaty at a recent news conference, said: "We continue to have differences in approaching the issue of including in the future Romanian-Russian treaty certain provisions that would properly assess all those events that had a negative impact on Romanian-Soviet relations." As is known, negotiations were held on 1-3 June between representatives of the Romanian Ministry of Foreign Affairs and the Russian Ministry of Foreign Affairs.

The main controversial point between the two delegations is the formula "to eliminate the consequences of the Ribbentrop-Molotov pact" proposed by the Romanian side and rejected by the Russian side. "We have not reached any formula of compromise. We are still far from solutions," as Dumitru Ceausu, head of the Romanian delegation and director of the directorate in charge of judicial issues and treaties, told us. We remind our readers that the normalization of relations with Russia

and the conclusion of a basic treaty were the issues raised by Ambassador Richard Schifler and General George A. Joulwan during their recent talks with Romanian authorities in Bucharest. The next round of talks will take place in Bucharest in September.

Army Plans 20-Percent Cut in Territorial Units

AU1906120694 Bucharest EVENIMENTUL ZILEI in Romanian 9 Jun 94 p 10

[Article by Doru Dragomir]

[Text] On 13-16 June the major territorial commands of the Ministry of National Defense will organize the second stage of testing personnel in these military units. On the basis of certain regulations of the Defense Ministry, the personnel in the military commands will have to take a number of exams. These exams are organized directly by the General Staff and are part of the process of transforming and restructuring the Army.

In accordance with the importance, area, and size of the commands, it is possible that the number of personnel will be cut by a maximum of 15 percent. The first stage of testing personnel took place in the second half of May at a local level. At the level of the entire ministry, a maximum 20-percent cut in personnel is envisaged in territorial and central structures. The most important territorial commands of the Ministry of National Defense are in Bucharest, Bacau, Cluj, and Drobeta Turnu Severin.

UN Reports Muslim Attack on British Observers

AU1906164794 Paris AFP in English 1615 GMT 19 Jun 94

[Excerpts] Sarajevo, June 19 (AFP)—Troops of Bosnia's mainly Moslem army fired on a British UN observation post in Gorazde, the United Nations said Sunday [19 June] as it reported a growing number of ceasefire violations. Most of the clashes are between the Bosnian army and Serb secessionist forces, and northeastern Bosnia has seen the biggest increase in military activity over the past three days, UN spokesman Eric Chaperon said.

However, on Saturday [18 June] night Bosnian army forces opened fire on a British UN observation post in the eastern enclave of Gorazde, Chaperon said. The British force fired back, he added without saying if there were casualties. At dawn Sunday Bosnian Moslem and Serb forces also clashed in Gorazde, he added. [passage omitted]

Chaperon said the head of UN forces in Bosnia, General Sir Michael Rose of Britain, sent a letter Saturday to the commanders of the Bosnian army and Serb forces asking for strict observance of the ceasefire. Rose cited incidents in which one or the other side had broken the truce. [passage omitted]

Chaperon also reported that a Danish UN medical team, due to travel from Sarajevo to Gorazde, has been stuck in between for five days at the Serb-held town of Rogatica after refusing to submit to Serb searches of their equipment.

Redman Discusses Talks With Bosnian Leaders

LD1806205994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 18 Jun 94

[Passages contained within quotation marks are recorded; Redman speaks in English with superimposed Serbo-Croatian translation]

[Text] Special U.S. envoy Charles Redman held talks with Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency; Presidency member Ejup Ganic; and Prime Minister Haris Silajdzic at the Bosnia-Herzegovina Presidency in Sarajevo today. Nedzad Leko reports:

[Leko] After three-hour-long talks, only Charles Redman addressed the journalists, and said the following:

[Redman] "I took advantage of my visit to continue our consultations on a number of issues facing Bosnia today—both political and economic—and the reconstruction of Sarajevo and other parts of the country. This evening I am going to Zagreb where I will have a meeting with Mr. Akashi, President Tudjman, and members of the Croatian Government. I will spend several more days in Europe to continue consultations because we all believe that this is an important moment to continue working toward a more stable, and, we hope, lasting peace. The negotiations are very difficult, but we are working hard, and will continue to do that. You will probably see me here in Sarajevo again soon."

[Leko] Asked whether the maps on which the contact group worked over the past two days in London were discussed at the meeting, Charles Redman said:

[Redman] "I am not here in that capacity. These issues are obviously always very interesting and important. However, I am here for bilateral U.S.-Bosnian relations [as heard], and not in the context of the contact group."

B-H, HVO Leaders View Washington Agreement

AU1706155594 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 17 Jun 94

[Text] Commanders of the 1st, 3d, and 7th Corps of the Army of the Republic of Bosnia-Herzegovina—Vahid Karavelic, Sakib Mahmuljin, and Mehmed Alagic—met with Vitez Region Commander Filip Filipovic at a command of the Army of the Republic of Bosnia-Herzegovina today. They met to discuss the concretization of the military part of the agreement signed in Washington. In an atmosphere of complete mutual understanding, representatives of the Army of the Republic of Bosnia-Herzegovina and the Croatian Defense Council [HVO] expressed interest in implementing the details regarding the formation of the joint Federal Army.

The effects of the truce signed between the Army of the Republic of Bosnia-Herzegovina and the HVO on 25 February 1994 that have been achieved so far represent a good-quality basis for realizing tasks issued by the Joint Command, and the regions covered by the 1st, 3d, and 7th Corps, as well as the Vitez Region are definitely important for their implementation in the field. On this occasion, attention was also focused on the joint activity of the forces of the Army of the Republic of Bosnia-Herzegovina and the HVO in the struggle against chetniks. The commanders assessed that the talks today were extremely successful.

Mladic Stresses 'Vital Serb Interests'

LD1806172094 Belgrade TANJUG Domestic Service in Serbo-Croatian 1533 GMT 18 Jun 94

[Text] Belgrade, 18 Jun (TANJUG)—Commenting on the cease-fire agreement signed in Geneva and the latest statements on possible maps dividing the Bosnian territory for tomorrow's edition of the Novi Sad daily DNEVNIK, Lieutenant Colonel General Ratko Mladic, commander of the main headquarters of the Srpska republic army, said that the Serb army in Bosnia had opted for a passive defense to the increasing number of Muslim-Croat attacks and provocations because it wanted to demonstrate that the Srpska republic was in favor of a peaceful political solution to the conflict in this way too.

Mladic said that the Muslims would perhaps respect the so-called cease-fire if they had a united political and military leadership, and if their Western mentors did not encourage the war option.

Commenting on demands for further Serb concessions, Gen. Mladic said that there would be no haggling over the towns that have always been Serb and are currently held by the Serbs, and that proposals to include clearly Serb towns

in the "gray zones" were out of the question: Because it is obvious that they [Muslims and Croats] are trying to use Western support to gain what they could not win in a military way. There has to be a compromise, but all three sides must take part in it if permanent peace is the final aim.

The Serb side has demonstrated a maximum of cooperation so far but unfortunately this has not been received positively by the West. It has been interpreted as Serb weakness and compliance, and that is why fresh concessions are being demanded. Even vital Serb interests have been jeopardized in order to reach peace, but these interests—a territorially integral Serb republic and its natural territorial link with the Serbian motherland—will certainly not be abandoned.

Commenting on the arrival of soldiers from Turkey and some other Islamic countries in former Bosnia-Herzegovina, Gen. Mladic said that this has exposed NATO's, i.e., U.S. strategy because, being afraid of a new Vietnam, they are relying on their satellites: Croatian and Muslim armies and military forces of certain Islamic countries. However, if the Srpska republic comes under an armed attack, its army will respond with all available means, Gen. Mladic said in his interview for tomorrow's edition of Novi Sad DNEVNIK.

'Aggressor' Steps Up Brcko Attacks

AU2006093194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 20 Jun 94

[Report by Hamiz Deronjic from Brcko]

[Text] The intensity of the Serbian aggressor's combat activities escalated on the Brcko battlefield last night. Sporadically but persistently throughout the night, the enemy used 60-mm mortars, antiaircraft machine guns, antiaircraft guns, and rifles to attack the defense positions of Brcko. The defense positions in Djukici, in the central part of the battlefield, and in Vranovaca were targeted the most frequently.

An enemy saboteur group was chased away in the region of Boderiste at approximately 2000 last night, and at 2200 the defenders repeated their success in thwarting an attempt by chetnik saboteurs to penetrate into the Vranovaca area.

The aggressor continues to encounter major difficulties mobilizing soldiers. Intelligence information suggests that, over the past month and a half, the Serbian aggressor has carried out a whole series of raids in Bijeljina and in nearby villages. The chetnik military police are rounding up potential military conscripts in apartments, on the streets, bus stops, and even in hospitals, regardless of their (?rank), profession, or health condition, to transport them to special training camps.

However, not even this latest aspect of mobilization has provided much of a chance for success for the aggressor. As soon as they arrive on the front, these forcefully mobilized soldiers of the so-called Srpska republic army desert the front lines in the Bosnian Sava Basin and Mt. Majevica at the first given opportunity.

Serbs Suffer 'Huge Losses' in Vozuca Offensive

LD1906113094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 19 Jun 94

[Text] There has been no let-up in chetnik attacks on the battlefields in the Third Corps' operational zone. They launched fierce attacks yesterday, especially on the Mount Ozren and Vozuca battlefields, using all types of heavy artillery. Here is a report from the Third Corps press center:

[Unidentified correspondent] Dozens of shells hit Hajdarevici, (Brasnevine), Livade, and Kamenica, and hundreds of large caliber shells were fired on the defense lines along the entire front line. The Third Corps responded to these attacks, so the fighting around Vozuca raged all day yesterday. In addition to frenzied artillery attacks, the chetniks launched several unsuccessful infantry attacks in which they suffered the largest losses so far. We estimate that several dozen of the aggressor's dead soldiers remained in the no-man's-land between the front lines. Many of their wounded were abandoned during the disorderly retreat. The huge losses incurred by the chetniks during their attempts to capture strategic locations around Zavidovici, the aim of their offensive, are the reason for the daily calls for reinforcements.

In addition to the attacks on the Vozuca front, chetniks were also active on the Celic battlefield, where they stepped up provocations and occasionally opened fire from 82-mm mortars. The situation was similar in the Tesanj area, the free territories around Teslic, and Doboj, where the aggressor used infantry weapons and a (?D-1) tank to shell Kalosevici.

'Mass Exodus' of Doboj Serbs as Muslims Attack

LD1906200394 Belgrade TANJUG Domestic Service in Serbo-Croatian 1900 GMT 19 Jun 94

[Excerpts] Doboj, 19 Jun (TANJUG)—Muslim units have resumed attacks on Serb positions and residential areas along all frontlines in the Doboj region, the information service of the Srpska republic army's 1st Krajina Corps said this evening. [passage omitted] For the fifth day running, strong Muslim forces, reinforced by units from Zenica and Kakanj, are attacking Serb positions and villages along the Ozren-Vozuca front. The attacks are focused on the area between the Krivaja river and the southwestern part of the Ozren-Vozuca front where, with strong artillery and tank support, the Muslim forces are launching infantry attacks and using terrorist-sabotage groups in attempts to break through Serb lines and destroy all Serb villages. This is why a mass exodus of the Serb population has begun.

According to the statement, the Muslims are also attacking Serb defense lines in Vozuca from the direction of Banovici, Lukavac, Zivinice, and Tuzla. According to the statement, it is becoming more obvious that the UN Protection Force has been offering logistical and fire support in the area between Ribnica and Vijenac. A mass exodus of the population has also begun from this area after many civilians, mostly children and women, were killed in Muslim artillery attacks on their villages. [passage omitted]

Inter-Muslim Clashes Resume in Western Bosnia

LD1706150294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1350 GMT 17 Jun 94

[Text] Petrovac, 17 June (TANJUG)—The offensive launched by pro-Izetbegovic forces against positions held by Fikret Abdic's units in Cazin Krajina in northern part of the Bihac region has continued for the seventh day in a row, local Muslim media reports.

According to the same sources, last night remnants of the 5th Corps of the so-called Bosnia-Herzegovina army launched an infantry and mortar attack against positions and residential areas controlled by the army of the Autonomous Province of Western Bosnia [APWB] from the direction of Djogici and Pajezitovici. The Abdic proautonomy forces repelled the attack without suffering any losses.

Alija Izetbegovic's forces resumed the attacks this morning from the direction of Zeljkovici, Porcici, Memici, and Liskovac. Later in the day fighting also took place in the Beganovici, Todorovo, and Pecigrad areas.

Local media in the Bihac region, loyal to Alija Izetbegovic, report that 5th Corps forces have been inflicting heavy losses on the army of the APWB and that both sides have suffered casualties.

Fighting in Cazin Krajina Reported

AU1906135594 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 19 Jun 94

[Text] Fierce inter-Muslim fighting is taking place in the Cazin Krajina. The forces of the Autonomous Province of Western Bosnia last night fired a number artillery projectiles at the positions of the 5th Corps of the Muslim army loyal to the government in Sarajevo. This was reported by Muslim radio in Sarajevo this morning. Eight soldiers of the 5th Corps were killed and 12 seriously wounded.

ZBIA Information Agency this morning reported on significant military successes by the advocates of autonomy, who, as claimed, have pushed out Izetbegovic's faction from a significant part of the former Cazin commune.

Bihac Struggle Continues

AU1906135494 Paris AFP in English 1058 GMT 19 Jun 94

[By Michel Moutot]

[Text] Hasici, Bosnia-Herzegovina, June 19 (AFP)—Maverick Moslem leader Fikret Abdic has his back to the wall as Bosnian Government forces, freed by a temporary truce with separatist Serbs, move to regain control in his fiefdom of Bihac. Near the frontline hamlet of Hasici, Abdic's men were hastily digging a new network of trenches Sunday following the news that the village of Todorov, three kilometres (two miles) down the valley, had just fallen to the Bosnian Army 5th Corps. The battle for the Bihac pocket in northwestern Bosnia, where the millionaire businessman has declared autonomy from Sarajevo, has stepped up as his Serb-backed forces fight desperately to contain the Bosnian Army advance. The guns in Bosnia, which elsewhere have fallen generally quiet since the temporary ceasefire of June 10, are still clearly audible in this "autonomous province" proclaimed by Abdic last September. With the ceasefire taking effect along the front line between separatist Serb and Bosnian Army forces, the Army's 5th Corps, entrenched in the southern part of the enclave, launched a new offensive which Abdic's raggle-taggle troops appear unable to contain.

UN military observers said that unless they received men and equipment from separatist Serbs in the neighbouring Krajina region of Croatia, Abdic's forces would be unable to contain the advance of the 5th Army Corps for much longer. Rebel troops in Hasici wore an air of unease as they manned their posts. "The last civilian fled this sector two days ago," the commanding officer explained nervously. Some of his men had no uniforms. The nearby woods and surrounding fields echoed with automatic weapons' fire. "The balance of forces is very unfavourable for Abdic, 500 men against 15,000, a group of men little better than a militia up against a war-hardened army," a UN observer said on condition of anonymity. UN reports say that Krajina Serbs have been shooting at the Bosnian 5th Corps for several days, despite denials by Abdic's spokesmen. "I'm not sure the support of Serb guns is enough to redress the situation," the UN observer commented.

In Velika Kladusa, Abdic's stronghold near the Croatian border, the dull thud of gunfire was clearly audible. These were 122mm or 132mm guns, according to a UN European officer. The 5th Corps has lost about 70 men in the battle for Bihac, diverse sources agree, and although the toll among Abdic's men is not known, it is likely to be much higher. Almost 400 of his troops have been taken prisoner. Several civilians fleeing the fighting were seen near Velika Kladusa on Saturday, the first sign of a collapse in morale in territory that he controls. "There is no massive exodus nor any housing problems for the time being," said Monique Fufelli, head of the local mission of the United Nations High Commissioner for Refugees. "Houses are very dispersed in the rural region and people have been put up by relatives," she said.

Abdic, Serbs Continue Attacks

AU1706151494 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 17 Jun 94

[Text] The Bihac Region is still the most troubled part of Bosnia-Herzegovina. As of last night, chetniks from the so-called Serbian Autonomous Region of Krajina have been using howitzers to virtually destroy border areas in the Cazin Commune. Krivaja, Pjanici, Skokovi, Liskovac, Todorovo, and Golubovici are being targeted by the Serbian aggressor, who has, more and more, been substituting Abdic's treacherous paramilitary, which is in disorder. There have been many wounded civilians, some people have been killed, but nobody is assessing material damage any longer. Here is a report by Mirza Sadikovic:

[Begin Sadikovic recording] This is why the Command of the 5th Corps made a statement again and the civilian

authorities of the Bihac Region presented a new (?protest) about the open chetnik aggression, in fact carried out from another state, which the local UNPROFOR [UN Protection Forces] members have been watching calmly.

During the day, members of Abdic's treacherous phalanxes also continued their wild artillery attacks. Due to an energetic response by our fighters, they and their chetnik allies (?began) withdrawing artillery deeply into their territory, leaving a real wasteland in their wake.

Following this morning's energetic responses by the 5th Corps units, a large part of territories has been liberated, and one more entire company from the 2d Brigade, the so-called Kladusa National Defense, has been caught and disarmed. Large quantities of ammunition, equipment, and armament that Abdic especially received from chetniks were confiscated on the occasion. [end recording]

Abdic's Forces 'Panic'

LD1806212894 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 18 Jun 94

[Text] The Bihac region was again today the least quiet part of Bosnia-Herzegovina. From their strongholds in the so-called autonomous region of Krajina, chetniks shelled the outlying districts of Cazin. They also targeted the wider area of Buzim. Although the members of Fikret Abdic's traitorous units were reinforced with chetniks among their ranks in their attacks on Pecigrad and Todorovo. Their attempts to recapture lost territory were in vain. Mirza Sadikovic reports:

[Sadikovic] The truth is rapidly finding its way to Velika Kladusa. This afternoon the fighters of the 5th Corps of the Bosnia-Herzegovina Army liberated new territories as they were returning fire to constant artillery and infantry attacks launched by members of Fikret Abdic's forces, fully supported by the chetniks of the so-called autonomous region of Krajina. They also disarmed yet another group of some 100 soldiers of the self-styled people's defense of Velika Kladusa, thus bringing total disarray into its 1st Brigade. A considerable amount of artillery and infantry equipment, weapons and ammunition was captured in this operation. At the same time a large number of people have crossed into the liberated territory, while Fikret Abdic's warmongering headquarters is being gripped by panic because even the private radio station of Velkoton [Velika Kladusa Radio] has started to disobey orders.

Overall, conditions are being rapidly created for the normalization of living conditions and the legality of the state of Bosnia-Herzegovina across the entire region of Bihac.

'Ethnic Cleansing' Continues in Western Bosnia

94BA0318C Zagreb VJESNIK in Serbo-Croatian 3 Jun 94 p 6

[HINA report: "Government's Office for Displaced Persons and Refugees Warns: Western Bosnia Being Intensively 'Cleansed'"]

[Text] *"The latest convoys with a very large number of Croats and Muslims indicate that the Serb authorities in the occupied regions are continuing with ethnic cleansing, but also that Croatia is having an increasingly difficult time caring for such large numbers of refugees and displaced persons."*

Zagreb—On Thursday, the government's Office for Displaced Persons and Refugees sent a letter to foreign embassies in the Republic of Croatia and to the media repeating the warning that it is at the limit of its abilities in caring for all the refugees, especially those who continue to arrive. "Once again we call on all international bodies, governments and government bodies, and the international political community to halt ethnic cleansing in Bosnia-Herzegovina and to help the Croatian state to care adequately for the approximately half a million displaced persons and refugees," the letter states.

The letter recalls that two weeks ago the office similarly warned of an intensification and continuation of quiet ethnic cleansing in western Bosnia, which the Serb authorities have been conducting for two years now, but which they have been intensifying in recent months. "We were prompted to send out this letter," it goes on, "by the increasingly frequent and ever-larger convoys with new refugees of non-Serb nationality from Banja Luka, Prijedor, Kotor Varos, Prnjavor, and Derventa, who seek refuge from violence in Croatia."

The latest such convoy, which arrived in Croatia with 600 new Muslim and Croat refugees on Tuesday, 31 May through the UNPROFOR [UN Protection Forces] checkpoint at Dragalic near Nova Gradiska, motivated the Office for Displaced Persons and Refugees to "warn about the same problem for the umpteenth time—ethnic cleansing in western Bosnia and the arrival of an increasing number of refugees in Croatia, and the inability of Croatia to care for all these people under current conditions."

"Especially worrisome is the fact that this convoy was again organized by the Serb authorities in Bosnia, through their Serbian Red Cross, literally deporting these people," the Office for Displaced Persons and Refugees emphasizes.

The letter also alleges that some of the people on the convoy had entry or transit permits for Croatia, but that there are indications that some of those permits were forged. The majority of the people arrived with only a little clothing, and around 200 of them sought assistance from the Office for Displaced Persons and Refugees the very next day. "On Wednesday and Thursday, they were assigned mostly to the Gasinci refugee center near Djakovo, which meant that we

were forced to overfill the already inadequate living quarters. We must note that neither the office nor any international body knew about the arrival of this convoy," the letter emphasizes.

"Based on the number of new refugees, the latest convoy is an indication that the arrival of the remaining Croats and Muslims from that part of Bosnia can be expected shortly. That would complete the ethnic cleansing of western Bosnia, and Croatia would be inundated with new refugees," according to the assessment of the Office for Displaced Persons and Refugees. The office again warned that there are no new structures for organized housing and that the only solution is to house them in structures that are already overcrowded. In addition, an increasing number of hitherto privately housed displaced persons and refugees—of whom there are around 400,000—are seeking organized housing.

Tudjman, Redman Discuss Bosnia Situation

LD1806203694 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 18 Jun 94

[Text] Franjo Tudjman, president of the Republic of Croatia, held talks with Charles Redman, the U.S. President's special envoy for the former Yugoslavia, and U.S. Ambassador to Croatia Peter Galbraith in the Presidential Palace in Zagreb this evening.

They exchanged opinions on the political and economic situation in Croatia and the peace process in Bosnia-Herzegovina. Asked if they had discussed the territorial division of Bosnia-Herzegovina, whereby the Croat-Bosniak Federation would be given 51 percent of Bosnia-Herzegovina and the Bosnian Serbs 49 percent, the Croatian president said that is the only reasonable solution.

Redman said that they had discussed the division only in general terms, while President Tudjman was informed about what is being attempted by the contact group and with ministers [as heard]. We are not at the stage where we can propose anything, Redman stressed, but we are working hard at it.

Tudjman Praises Relations With U.S., PRC

LD1906150394 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 19 Jun 94

[Excerpts] A formal rally was held in Varazdin this morning on the occasion of the 130th anniversary of organized fire-fighting in Croatia. Franjo Tudjman, president of the Republic of Croatia, spoke at the rally. Zlatko Kuretic reports:

[Kuretic] [passage omitted] After introductory speeches by the host and Franjo Greguric, the president of the Croatian Fire Brigade Association, the rally was addressed by President Franjo Tudjman. He expressed gratitude to the Croatian firemen for their contribution in the patriotic war. Speaking about the firemen's parade in Varazdin, he also said:

[Begin Tudjman recording] This parade speaks about the unity of all parts of Croatia, of all Croatian counties, about the unity that we must nurture in all areas because we have established a single, independent, sovereign, and internationally recognized Croatian state. There are still people in the world who cannot reconcile themselves to this fact. Our Croatia has become, however, not just internationally recognized, but our sovereign and independent Croatia also has powerful allies and friends, including, in the first place, the United States, the most powerful world superpower in one part of the world, and also our friend China, another world power, in the other part of the world.

We have good relations with the European Union and friendly relations with most of the European and other countries in the world. Croatia's international status is such that we can devote ourselves to carrying out other tasks before us: the liberation of the occupied parts of Croatian and the development of the federation and the confederation with Bosnia-Herzegovina. From then on, we can devote ourselves in peace to economic and cultural development and to the tasks our government is faced with.

In both the economic and political fields, we have achieved not just surprising results, but a miracle that the world is admiring. We have curbed inflation. We have created conditions for the introduction of a new Croatian currency that will be stable because our efforts and our sweat and blood are in our hands and will no longer go to foreign capitals. All our sweat and blood will be in the interests of Croatian men, Croatian people, and the Croatian state. [end recording] [passage omitted]

Leaders Explain Positions on RSK Talks

Negotiator Outlines Problems

LD1706171894 Belgrade TANJUG in English 1634 GMT 17 Jun 94

["Pool" item]

[Text] Zagreb, June 17 (TANJUG)—The chief Croatian negotiator for the postponed talks between the Republic of Serb Krajina and Croatia, Hrvoje Sarinic, has outlined a number of issues standing in the way of the talks in addition to the dispute over press accreditation.

Sarinic said he was not satisfied with items the Serbs had included in the agenda of the talks. He also objected to Krajina's insistence on lifting United Nations Resolution 820, a move he said would make Krajina completely independent.

Sarinic said the Serb side was interested in discussing partial issues, such as the restoration of water supplies, while Croatia wanted to negotiate not only economic, but also political issues. He said the problem of Krajina-Croatia telephone connections was politically important, reiterating Croatia's demand that telephone numbers in Krajina bear the same area code as Croatia.

The Croatian reaction to the cancellation of talks between the Krajina and Croatia indicates that Croatia's demands for increasing the press quota for Croatian reporters was merely a tactic to avoid holding the talks at all.

The talks scheduled to take place in Plitvice were cancelled when Krajina permitted Croatia to bring only the same number of reporters to the talks as the Serb side had been allowed at the Zagreb talks in March. The Krajina Serbs were allowed to bring two reporters to the earlier talks.

Responding to a Serb request that Croatia pay up on the outstanding pensions due to Serb retirees now living in Krajina, Sarinic rejected Serb estimates of 57,000 such retirees, saying the total was only 34,000. Sarinic also said Croatia would only pay the smaller number of pensioners in the new Croatian kuna currency unit. The kuna was first introduced as Croatia's currency in the fascist independent state of Croatia, a Nazi-sponsored puppet state that existed only during World War II. The Croatian Government reintroduced the kuna last month.

The Republic of Serb Krajina was established in 1991 on Serb ancestral lands in Croatia after Croatia seceded from the former Yugoslav federation. Krajina was placed under United Nations protection in 1992 and has since suffered three military offensives from Croatia. International conference on former Yugoslavia representatives Kai Eide and Geerd Ahrens have pledged their assistance in trying to resume the stalled Krajina-Croatia talks.

Serbian Leader Comments

AU1806180394 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 17 Jun 94 p 7

[M. Zurovac report: "We Reject Blackmail"]

[Text] The talks between the delegations of the Republic of Serbian Krajina [RSK] and Croatia that were supposed to be held in Plitvice were postponed and it is still uncertain as to whether they are going to be held at all. The Croatian delegation had not arrived by last night. Following this (un)expected course of events, RSK President Milan Martic has stated for VECERNJE NOVOSTI the following:

"The venue is not contentious. We have demonstrated maximum cooperativeness and flexibility, something Croatia had obviously not counted on. Their behavior and request for support from the international community and allies confirm that they were caught by surprise and that they do not want to come to Plitvice. They are evidently not in the mood to negotiate, as they are fervently seeking the help of their allies in order again to accuse the Serbian side and show that the war option is unavoidable."

Substantive Obstacles

"We are patiently waiting," Martic said, "because there is no alternative to the peaceful settlement of the problem. Croatia has found an 'excuse' in journalists and resorted to ultimatums, demanding their sponsors to exert pressure on us. We will not accept any ultimatums. We enjoy the support of our assembly, government, and the RSK people."

In response to the question whether the talks would resume in the course of the day, Martic said:

"As far as we are concerned, they could resume. I have sent a written message to David Owen and Thorvald Stoltenberg with regard to the message sent to the RSK leadership by Enrique Agillar, coordinator of the civil sector. The message, which had allegedly been sent by Owen and Stoltenberg, but not signed by them, refers to procedural and substantive obstacles to the negotiations in Plitvice. However, whether they are procedural or substantive, the consequences of the message are absolutely political.

"Croatia was not sent a message with the identical content. The message states that the answer regarding the acceptance or rejection of the talks be sent via Agillar in Knin. We do not believe that Croatia will send its reply to Geneva via Knin, which means that the Croatian side was sent a different message or not sent one at all."

Wrong Order

Martic also claims that the agreement that the agenda be set at the very beginning of talks had not been respected. Instead, the message sent to the RSK already contained the priority issues that should be discussed. The first three of the total of five issues were exclusively in the interest of Croatia (a set of measures concerning the supply of electric power and water, high voltage network, and oil pipes). The RSK was thus put in an unequal position. Point 5, concerning UN Security Council Resolution 820, makes it clear that the blockade of the RSK is not going to be lifted, but only perhaps gradually moderated. In other words, the RSK would be enabled to trade within Croatia.

"The agreement that one Croat journalist and one photo reporter be present in Plitvice was not respected either," Martic said. "Instead, the RSK was given the ultimatum to allow five journalists in. The rescheduling of the start of the meeting for 1600 [1400 GMT] suggests that the Croatian delegation wanted to spend the night at Plitvice, which contravenes previous agreements. The message also says that a delegation could include more than five members, which was the original maximum. The agreement that the delegations' cost would be borne by the international conference on the former SFRY was also annulled and replaced with a clause that the costs would be shared by the two delegations. It is totally incorrect to make the arrival of Owen and Stoltenberg in Knin conditional on the agreement that the next round of talks be held on 30 June.

"At the same time, Croatian politicians' public speeches and the media campaign have disturbed the atmosphere concerning the negotiations to the extent that they have become impossible to hold. The inflexible statements by Hrvoje Sarinic [chief Croatian negotiator] have caused much disturbance among the Serbian people in Krajina, who do not like anyone setting them conditions.

"The negotiations are of interest for both countries," Martic said at the end, "and we believe that the cochairmen of the peace conference will invest extra effort to convince the Croatian side of the necessity of continuing the dialogue."

Mikelic Comments

AU1806193494 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 18 Jun 94

[Interview with Borislav Mikelic, prime minister of the republic of Serb Krajina, by Predrag Sarac; place and date not given—recorded]

[Text] [Sarac] The continuation of the negotiations on economic cooperation between the Republic of Serbian Krajina [RSK] and Croatia has attracted much attention. Even though everything was ready for the continuation of the negotiations in Krajina and in Plitvice, the failure by the Croatian delegation to turn up has practically blocked the negotiating process. What was in fact happening during the consultations shortly before the talks were supposed to take place? There were plenty of comments, but we sought

the answer from Borislav Mikelic, head of the government and the Krajina negotiating delegation.

[Mikelic] Their rejection of the continuation of the negotiations and failure to come to Plitvice, because we had allegedly not agreed to allow five journalists to come here, is a transparent thing and cannot be the reason as to why there are no negotiations.

It appears to me that the central thing in all this is that Sarinic [chief Croatian negotiator] had realized that he would not be the host in Plitvice, but us, that he would not be able to promote himself in Plitvice, and that he would not be able to manifest what he wants, that he would be under the completely equal conditions, like us. He had realized that, in the presence of the international community, the talks would be held in the way they should, that there would be no pressure, nor agreements prepared in advance according to which the Serbs would allow this and that, without at the same time seeing what is behind this.

[Sarac] What should be done next? Will the negotiations continue?

[Mikelic] In our view, everything that we had prepared, the platform that had been prepared by our government, we are prepared to continue the talks tomorrow. We have therefore not disrupted the talks. We have not given up the negotiations. We were not the cause of the talks' failure either. Those who did not come to Plitvice, because of the journalists, I think that they are responsible for not coming to Plitvice.

Martic Comments

LD1906114394 Belgrade TANJUG Domestic Service in Serbo-Croatian 1021 GMT 19 Jun 94

[Text] Knin, 19 Jun (TANJUG)—The Republic of Serb Krajina [RSK] is always prepared for talks with the Croatian side, RSK President Milan Martic told a TANJUG correspondent. "We can talk at any time anywhere in Krajina," he added. "We know we are a state and nothing can make us change our mind. We are prepared to meet them in Plitvice whenever they want."

Expressing the willingness to resume talks, Martic doubted at the same time whether the Croatian side will accept it, because "Krajina will remain adamant in its stand that one cannot go below what is known as reciprocity and equal terms."

Martic claimed that the latest talks in Plitvice failed because they did not suit Croatia's needs and that journalists were used only as a pretext. "They do not suit Croatia's needs, the Croats are even prepared to sacrifice their own people at the expense of a war option," the RSK president claimed. "They were brought into this situation because we agreed to the talks and they had obviously not counted on it."

Martic said that in Geneva the Croats asked that the meeting be held anywhere in "Croatia, including the RSK." Hence their surprise when we agreed to the talks in Plitvice, because they counted on the Serbian side's refusal. In this way they would have precipitated the war and found international sponsors for this attempt.

"We really wanted to discuss economic issues, primarily the opening of communication lines. But, we are determined about one thing—we cannot talk about it unless [UN] Security Council Resolution No. 820 is abolished."

According to Martic, there are many issues to discuss. The RSK will ask to be allowed to use the ports of Zadar and Rovanjska and for access to Europe through Croatian territory, that is, through Italy, Slovenia, Austria, and Hungary. "In exchange for that, we would let them use our communications and, of course, we are ready to give water to Bigrad and Zadar, but it seems that this does not suit Tudjman and his policy," Martic says.

Martic believes Tudjman does not care much for the Croats in Dalmatia. "If we were pounding Zagreb he would be concerned, but the fact that Zadar has no water supply is in fact good for him because he uses it to keep people under control and motivate them to fight against us."

Milan Martic says the Croatian leaders are to blame for the lack of a regular water supply in Biograd and Zadar because they are refusing to hold talks. "Everything they are doing is leading toward the war option, and they will surely strike," he said. "At the moment they are prevented by huge rifts in the political and military leaderships, but the opposition is forcing Tudjman to go to war."

"Their parliament is nonexistent. It is not functioning. Everyone is working to undermine it, and Tudjman can use that situation to arrest all his opponents. This is why he needs an attack on Krajina," Martic said in conclusion.

Istrian Leader Views Autonomy Possibilities

AU1906120294 Vienna KURIER in German 18 Jun 94 p 5

[Interview with Ivan Jakovcic, leader of the Istrian Democratic Assembly, by Ingrid Steiner; place and date not given: "Every Time New Borders Were Drawn Here, a Desert Remained Behind"]

[Text] [Steiner] What would autonomy mean for Istria?

[Jakovcic] It would mean more financial independence for us and more powers at the provincial level. At the moment Croatia is a super-centralized state, all power is in President Tudjman's hands. We are not even permitted to manage the tourism advertisements for Istria. We also do not have any influence on the top echelons of our companies. In no case, however, would autonomy mean separation from Croatia. We want full solidarity with the Republic of Croatia.

[Steiner] Thus, changes of the borders are out of the question?

[Jakovcic] Every time new borders were drawn in our region, this ended in a drama. We do not want any new tragedies. The national borders between Italy, Slovenia, and Croatia are to remain as they are. However, it is not

logical that Istria is cut in two halves so sharply and that the authorities are managing the border checks so painstakingly. The border should be overcome but not changed.

[Steiner] Must Istria again fear territorial claims by Italy's extreme right?

[Jakovcic] Istria is not Italian. Romans, Slavs, and Teutons always met here. And today, too, Italians, Croats, Serbs, and Albanians live here together. Even though the Croats are the majority, we support our minorities absolutely. We have learned our lessons from history: from the expulsion of the Croats by the Italian fascists, from the expulsion of the Italians from communist Yugoslavia. What remained behind always were civilizational deserts.

[Steiner] What is Istria's attitude toward a return of the expelled Italians?

[Jakovcic] If Croatia wants to join Europe, a solution must be found so that the Italians can buy back their former land. This problem must be dealt with pragmatically and must not be politicized. We know that the people who lived here want to return. But we do not want to accept new tragedies.

Parliamentary Deadlock Over Officals Continues

LD1706170194 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 17 Jun 94

[Text] The parliamentary opposition is blaming the ruling HDZ [Croatian Democratic Union] for the breakdown in inter-party negotiations. It sees a way out of the deadlock in a settlement before the next assembly session, and it predicts early elections. This is a brief summary of a news conference held today by the HSLS [Croatian Social Liberal Party], the HNS [Croatian People's Party], the HSS [Croatian Peasants' Party], the SDP [Social Democratic Party], the HND [Croatian Independent Democrats] and the IDS [Istrian Democratic Assembly]. Jasnka Dudic reporting:

[Dudic] Opposition representatives denied the HDZ's claims that the opposition was less cooperative yesterday than usual and said that the HDZ was inflexible and unwilling to accept any compromise. They stressed that the opposition had decided not to put forward any candidates for the position of vice-presidents, suggested that it would abandon the issue of legality, but demanded that it be allowed to vote on the dismissal and election of the president of the assembly. Since this was rejected, we came to a deadlock, Ivica Racan [SDP chairman] said and announced a meeting of the opposition for Monday [20 June].

[Begin Racan recording] At the meeting we will discuss the possibility of the opposition offering resignations from all its positions in the Croatian Assembly. We will also decide in which way we will take part in the further work of the assembly, but I do not think that we will attend the sessions scheduled for Tuesday. [end recording]

[Dudic] The opposition believes that the situation in the assembly does not need to be solved through early elections, but if no agreement is reached, the opposition is ready to accept even that challenge.

Deputy Prime Minister Views Privatization

AU1606171694 Zagreb VECERNJI LIST in Serbo-Croatian 11 Jun 94 pp 8, 9

[Interview with Deputy Prime Minister Borislav Skegro by Snjezana Mlinarevic; place and date not given: "We Began Allocating Shares"]

[Text]*A vacuum in the Assembly; the government being incapable of regulating important regulations, like special taxes for instance, and, in the worst case, resorting to unpopular decrees; the resignation of Health Minister Andrija Hebrang in connection with a decision made by the Constitutional Court—all this is making the government's life miserable as it has enough problems trying to administer the country with the unstable parliamentary processes. Deputy Prime Minister Borislav Skegro, in his department of economy, has to deal with most of those problems at present. Furthermore, his portfolio covers the constantly red- hot field of the transformation and privatization of social enterprises.*

[Mlinarevic] Mr. Skegro, would you comment on the Constitutional Court's decision that present salaries in the field of medical services are unconstitutional? Did that create a precedent or could similar decisions meet the same fate?

[Skegro] I would not comment on the decision passed by the Constitutional Court. The court is an independent institution. I can, therefore, not predict the outcome of other cases either.

[Mlinarevic] The health minister's warning that overruling the decision would undermine the basis of the stabilization program is an important phenomenon.

[Skegro] Minister Hebrang has warned of resistance regarding the program, which we emphasize on a daily basis. His resignation shows his moral attitude. The resignation he submitted to Prime Minister Valentic does not necessarily have to be accepted.

[Mlinarevic] While the government is waiting for deputies to take their seats, many say it has got unnecessarily involved in the Split case of "Banovina." Why has the government become so involved over the purpose of one building?

[Skegro] I do not think it got involved at all, and that this is an insignificant problem, especially for Dalmatia. The Banovina building is the property of the state and the government must intervene in this and all similar cases.

[Mlinarevic] You have successfully completed the last round of negotiations with trade unions about the pay deal. The latest rift in the biggest trade union head office may bring new negotiators. Could you comment on that?

[Skegro] I would not comment on the events on the trade-union scene. Do you want me to come into conflict

with trade unions, now that we managed to get used to being partners? But, seriously, the trade union turmoil is their internal problem. Government negotiators do not care who is the authorized negotiator of the other side.

[Mlinarevic] Some say Mr. Lesar is a weaker negotiator than say Boris Kunst, who announced a new and stronger trade union gathering.

[Skegro] I do not want to characterize negotiators, but in the present circumstances and considering our obligations toward international financial institutions, the government cannot, even if it wanted, be generous regarding trade union demands, which are often justified.

[Mlinarevic] Trade union members say that, in the latest talks, they managed to "draw in" a large number of firms from the circle of those that do not submit to pay limitations. Have you really plant bait for the trade-unions of "51 percent of registered shares" in the agreement?

[Skegro] Can you imagine that something like that is possible? Everybody has their own tactics in negotiations. Anyway, we do not fear salaries will explode in firms with more than 51 percent of registered shares. New privatization bills—and we have been discussing them for a while—propose that the dividend be paid on the entire package of shares, meaning also on the registered, partly-paid shares. Small shareholders will then have to consider which pays best. Before they give themselves a raise, they will calculate which pays better. If they opt for better salaries, they will reduce the dividend, although they should wait. And it does not take much calculation to figure out that income tax is much higher than profit tax. I do not think we will have to persuade shareholders that those figures are correct.

[Mlinarevic] The arrival of "fresh" money in Croatia is imminent. Moreover, the minister of finances has set a definite date for the first round of the foreign loan to come to Croatia very soon. How will the money be "spent"?

[Skegro] It was announced that the first loan from the World Bank of $128 million should be given the green light on 23 June, in addition to other loans that make up the sum of about $500 million, and this will not be "consumed," even if we wanted that. Those are strictly special-purpose funds that will be used for rebuilding and building places that were destroyed in the war, as well as for the construction of the infrastructure; roads, the electric-power industry, water management, and agriculture. There can be no improvisation regarding that, for the world institution will have full control at all times, from insight into the dynamics of work to payments for every rebuilt house, for example.

[Mlinarevic] As deputy prime minister, you also function as the president of the Board of Management of the Croatian Privatization Fund. How do you account for contradictory views on the efficiency of the transformation process in Croatia, ranging from very positive to statements that the privatization model is a failure?

[Skegro] Easily. As the deputy prime minister who is also directly in charge of that area, I am expected to give a favorable judgment. I would, therefore, not like to pass judgment on the past privatization period or measures we introduced from that position. I think that the judgment of an independent institution is most objective and it was presented to our public. There are weaknesses during the aftermath of the transition process in all countries—and Croatia is no exception—but IMF and World Bank experts say this process in Croatia is very good. Anyhow, all further relations with Croatia are tied to the results of privatization. They see great progress and their objections refer to public state enterprises that have not been privatized yet. I am personally very pleased with the pace of introducing new ownership relations in firms, and the job of privatization and restructuring the economy is a painstaking and long process, even without war.

[Mlinarevic] So, you say that to say that there is social injustice in the transformation, which has also been compared with the South-American syndrome—the rapid impoverishment of the masses and the rapid acquisition of wealth by a few—is unfounded

[Skegro] I do not want to list the arguments that prove that those statements are false. Let me refer once again to the evaluation by the international institutions, and they probably know the circumstances in South America much better than some of our economists.

[Mlinarevic] Recently, several foreign companies have purchased shares in Croatian firms. Are foreign investors now more interested in Croatian firms?

[Skegro] Of course. The climate for investment has improved significantly, now we have several prominent international companies in Croatia; "Ericsson" will soon sign a contract to purchase the shares of "Nikola Tesla," Belgian "Interbrew" is here, German "Messer" and some others. Furthermore, the success with swap arrangements, selling shares for "old foreign-currency savings" [that were lost as a result of the disintegration of Yugoslavia] on the Zagreb Stock Exchange, is evidence enough of the progress of privatization.

[Mlinarevic] Still, the state is reluctant to relinquish its property.

[Skegro] I would not say it is reluctant or that it does not want to do that. However, we cannot rush into selling off firms just to get privatization off our backs. For example, can we do that with hotels for which there is a lot of interest in a situation like this? Are we to sell hotels cheaply just because the roads leading to them are destroyed at present? Furthermore, I do not think it is wise to sell firms that are making a profit in these circumstances as well. The state needs some of them. However, private property must prevail.

[Mlinarevic] Sessions of the Managing Board of the Privatization Fund have recently been opened for the press to see how decisions on selling firms are passed. On several occasions, you emphasized that this makes your work much easier.

[Skegro] Decisions about purchases and sales, and which also concern the destiny of firms and people employed there, are neither simple nor easy to reach. We must often consider elements that require sane judgment from different angles. It would be easier if money was the only element to be considered. Discussions, people advocating different things, the way of voting, that is all available to the press, it is all transparent, and that makes it easier for us to work, knowing that there can be no additional interpretations, which is a frequent phenomenon in everything that happens in the process of transformation.

[Mlinarevic] Journalist had the opportunity to notice that all members the Managing Board of the Privatization Fund meet very rarely, and their meetings most often barely have a quorum or are inquorate, as the last one was. How will you tackle this extensive agenda?

[Skegro] It will be difficult. It is obvious that the Managing Board is turning into a bottleneck of a kind. Composed of deputies, ministers of some key departments, and trade-union representatives who are burdened by other obligations, often away on business, the board is essentially a hindrance. Firms are waiting for decisions and this delay is impossible and costly for several reasons.

[Mlinarevic] Meetings of the Board, which are few and far between, have prompted you to consider professionalizing that body.

[Skegro] That should also be considered. Whether to have a fully professional, competent team that will be directly responsible to the government and parliament for each decision it makes or something similar to that effect. I think new privatization laws will introduce some new details into the work of the Managing Board.

[Mlinarevic] Will that also refer to the lower level, to managing boards in firms?

[Skegro] Managing boards in firms are not that much of a problem, although they will also be "checked." The more efficient the managing boards and the privatization, the fewer firms will have to be run by the state.

[Mlinarevic] New privatization laws were announced some time ago. From what was available to the public, we can deduce that the emphasis is on small shareholders.

[Skegro] That is correct. Very soon, the government will put together a new bill to be put before parliament. We are aware that the present pace of payment of share installments is very difficult for small shareholders without great sacrifice, although we did make some concessions at the beginning of the second year of payment. We will, therefore, considerably prolong the period of payment by installments and it will be longer than the present period of five years. Furthermore, we will also give a considerable discount for payment in full. After disabled veterans and the families of dead soldiers, the second category of citizens will follow—refugees who will be given shares.

[Mlinarevic] Will this enable the reaching of a social consensus of all classes, because some say the state cares only about the chosen "critical mass" of shareholders?

[Skegro] I think the state should care about the small shareholders who trusted their firms, who, after all, accepted the risk of shareholding. However, all other categories will sooner or later be taken care of. But, everybody cannot be given an equal number of shares, nor do they deserve that.

[Mlinarevic] According to the first version, it is planned that the refugees are to get about 20,000 Croatian kuna worth of shares. Is that a modest amount?

[Skegro] Even children, minors, will have the right to get shares, so it will not be that insignificant in one family. However, it is more important which shares to distribute, and how to secure high-quality, profit-yielding shares that can be sold at a price not lower than nominal, instead of just "paper."

[Mlinarevic] You attempted to solve the problem—with regard to disabled veterans—by founding the HDF [Croatian Patriotic Fund]. You got involved personally, but as we see, the HDF is not functioning as it should.

[Skegro] Yes, I personally supported the HDF project as the first investment fund, the forerunner of others to come, however, we encountered problems on two levels. Firstly, the lack of experts who would lead such a fund. We simply do not have people educated for that and this will continue to be a problem. On the other hand, disabled veterans demanded—and no one can or wants to deny them that right—that they chose the shares themselves and manage them independently, keeping them or selling them on the market, instead of keeping them at the HDF with a guaranteed dividend. Therefore, the Managing Board of the Fund has recently decided to share out, from its own portfolio, all shares of the Zagreb Tobacco Factory, which are in great demand among disabled veterans.

[Mlinarevic] Investment funds, as a part of the further privatization strategy, have been announced, but also forgotten, it seems. Is the HDF one of the reasons?

[Skegro] They were not forgotten. We have been encountering the same problems: Who will lead those funds? We are preparing the establishment of the largest investment fund, the Fund for Rebuilding, whose beneficiaries will be those who suffered most in the war. This could be a possibility for the refugees, but, having learnt from the experience with disabled veterans, we do not know how the refugees will want to realize their right to shares. Furthermore, there is the Pension Fund and a couple of other funds.

[Mlinarevic] On the other hand, the distribution of shares—and the Zagreb Tobacco Factory is a case in point—could quietly lead to a take-over of factory by foreign companies, and the state is protecting the tobacco shares precisely from that.

[Skegro] In the ownership structure that will, in time, develop in the Zagreb Tobacco Factory, once the shares are distributed—and there will be a large number of small shareholders—take-overs will not occur unforeseen. But you can rest assured that we created protection mechanisms in the firm itself, and the state has its own way of influencing the course of privatization of the firm. There will be no major take-overs, especially after the experience of some eastern countries, where tobacco factories were bought just because of the market and then closed.

[Box, p 9]

The Right Time Is Yet to Come

[Mlinarevic] You also advocate the distribution of shares. If they are being shared out as late as now, was the pace and the time for the distribution not more important than the principle of distribution itself?

[Skegro] That is correct. I think that the time for mass privatization was determined well in Croatia. What would happen if we had such a strategy at the beginning of transformation? An abundance of vouchers in a country at war! I claim that would be lethal; who, today, could know who owes shares? A "hostile take- over" of our firms, as an economic term, would probably also happen literally. Naturally, we are counting on the distribution of shares in transition. Disabled veterans were first in line, and we will also cover other categories of the population.

[Box, p 9]

Bankruptcy

[Mlinarevic] In spite of the good results of the stabilization program, the latest data show many insolvencies among firms. How do you explain that?

[Skegro] It is very simple. Insolvency, just that part concentrated in two or three branches of economy, is the result of the chronic nonsettlement of debts between firms that surface powerfully at a time of zero-inflation.

[Mlinarevic] Still, regarding that, the question of bankruptcy has again become topical. One gets the impression that there are no bankruptcies, for they are a matter of political decision.

[Skegro] There are no bankruptcies of large firms like there were three years ago. Not that many and with such consequences. However, it is not true that bankruptcy is a matter of political decision, nor that politics controls it and artificially inhibits it. Anyhow, bankruptcy is an everyday occurrence, our data show that. Indeed, they are not very stormy, which is good, they do not include a large number of employees at one place. There are no big changes, but that does not mean there are no bankruptcies as a normal phenomenon in the market economy. However, there will be large-scale bankruptcies, but we must take them as a process of healing the economy that will be accompanied by a strengthened social program.

Montenegro Returns Some 'Looted' Goods

94BA0318D Zagreb VJESNIK in Serbo-Croatian 3 Jun 94 p 11

[Article by Branko Vojicic: "Montenegro and 'War Booty': Plunder of Looted Croatian Riches"]

[Text] Podgorica—The Montenegrin public has still not been told that Montenegro has returned part of its plundered "war booty"—paintings and drawings that the former JNA [Yugoslav People's Army], in its famous "liberation" raid on Dubrovnik, "captured" at the summer house of renowned painter Milovan Stanic in Mali Zaton. Specifically, since there was not a single representative of the Montenegrin "fourth estate" present at the transfer of the paintings and drawings, the local media have remained mute and the public has been short-changed for the umpteenth time concerning the details of this significant step in normalizing relations between the Republic of Croatia and Montenegro.

What MONITOR Reveals

In light of this fact, the article "Paths of War Booty" published by the independent Podgorica weekly MONITOR is of interest. The article talks about how students from Niksic—in military uniform and with passes—were transported to the Dubrovnik front in organized fashion to "gather war booty." Specifically, the weekly reveals that in early March 1992, while the war was raging around Dubrovnik, 15 students, residents of the "Vucinic Brothers" dormitory in Niksic, led by Radoman Kovacevic, director of that institution, loaded six truck tractors and two trailer trucks with goods from the "Mlini" and "Kupari" hotel complexes and transported them to Niksic amid air support and the protection of the military police. The operation was organized by the successor to the army that shot its own soldiers for stealing apples—the former JNA and current Armed Forces of Yugoslavia [VJ]. MONITOR published a photocopy of Radoman Kovacevic's permit "to take from the Mlini (hotel) furniture, radiators, dishes, and kitchen supplies for the needs of the Niksic dormitory," as well as a pass "authorizing movement to and from Sutorina and Trebinje." This permit was signed, "under the authority of the commander," by head of the civilian administration agency, Colonel Drago Pipovic. The stolen goods were transported by "Autoprevozno" of Niksic, which properly billed the dormitory for its services in transporting 160 metric tons of "equipment, furniture, and miscellany" along the Niksic-Kupari-Niksic route.

Scarcely four months had passed since the successful looting expedition when a dispute broke out among employees of the Niksic dormitory. The director was accused of having seized everything, and it was alleged that the "war booty" was extensive: expensive paintings (for some time they adorned Kovacevic's office, but then they disappeared), large safes of gold and foreign exchange, plus television sets, expensive furniture, telephone exchanges worth hundreds of thousands of German marks....

Mercedes for a Fistful of Marks

"We do not know where such things are," it was said at a special session (closed to the public) of that institution's board, when several dormitory employees suggested that "officially not a single specification arrived" and that the dormitory has not benefited from it in the least.

On the contrary, the director rewarded the students who went with him on the adventure—with free dormitory services until the end of the school year. However, the director refuted the charges by saying, "Although I have a moral right to enter ustasha houses, there are no items in my possession!"

"The legal person did not provide evidence of the property at his disposal," because of which it was not possible "to exercise control over the financial-material business dealing," concluded the financial police, which has been involved in the entire case ever since charges were brought by the minister of education against Director Kovacevic, but not because of the plunder, but rather because of the illegal rehiring of a former dormitory secretary. Kovacevic was called before the examining magistrate only six months later, but after that the whole matter sank into oblivion.

It appears that the further investigation into Kovacevic was halted by the former chief of the VJ General Staff, Zivota Panic, with the cooperation of General Pavle Strugar and General Radomir Damljanovic, insiders allege. Apparently they did not want to raise questions concerning the thefts because all indications are that they too had "lined their pockets." For example, Strugar "bought" a Mercedes 190 brought in from the Dubrovnik front for several hundred German marks, while Damljanovic got a luxury Peugeot for a few marks more.

Recently, however, the "Kovacevic case" has been "activated." The court has authorized experts to gather evidence of the director's "abuses in connection with procuring food for the dormitory, trading a freezer for one automobile tire, giving free housing to some students," and several other minor irregularities. No one mentions the theft of "war booty."

Economic Agreement Signed With FYROM

94BA0318E Zagreb VJESNIK in Serbo-Croatian 3 Jun 94 p 13

[Article by Davor Drezga: "Croatian-Macedonian Economic Cooperation: Free Trade Zone for Greater Exchange"]

[Text] Zagreb—In order to promote mutual cooperation as well as overall economic and trade relations between Croatia and Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], a cooperative agreement between the economic chambers of the two states was signed Thursday at the Croatian Economic Chamber [HGK]. This document, through which active measures are undertaken on a reciprocal basis to promote the economy, to stimulate the development of trade, and to support economic and technological cooperation between Croatia and Macedonia, was signed by the HGK chairman Mladen Vedris and GKM [Economic Chamber of Macedonia] chairman Dusan Petreski.

The agreement stipulates that the chambers will assist one another, within the bounds of what is possible, in appearances at international exhibitions and other events in Croatia and Macedonia. In addition, there will be support in organizing seminars, business meetings, and reciprocal visits by trade delegations. The chambers will also cooperate in the area of international arbitration, patent law, and trademark protection.

Referring to the difficult recent period during which economic cooperation between Croatia and Macedonia has fallen off, Mladen Vedris emphasized that now we must focus on the time to come. He added that businessmen feel a need for business ties in various activities and sectors. A philosophy of economic cooperation could be created on the basis of a free trade zone, which presupposes liberalization in economic relations. This would promote the establishment of a higher level of trade, Vedris said. Vedris invited Macedonian businessmen to come exhibit their products at the Zagreb Trade Fair.

Noting that economic structures in Macedonia have been in crisis for three years now, Dusan Petreski said that despite the crisis, an economic reform program is being carried out, but slowly. Privatization is also proceeding gradually.

Petreski emphasized that the Macedonian economy is interested in expanding trade with Croatia, which last year amounted to (a total of) $84 million. Macedonia had a small deficit, which it would like to even out. Petreski stressed that the vast majority of the trade is based on compensation and barter, while cooperative arrangements between enterprises have ended entirely. The Macedonian business sector would like to liberalize trade relations with Croatia.

Petreski then spoke of the need to adopt, as soon as possible, numerous documents that are important to economic ties between Croatia and Macedonia: agreements on commercial and economic cooperation and on eliminating double taxation; accords on investment, employment, and social security; and an agreement on trade payments, which he considers very important. Petreski invited representatives of the HGK to visit Macedonia, and his invitation was accepted.

Serbian Soldiers Reported on FYROM Territory

AU1706190494 Skopje MIC in English 17 Jun 94

[Unattributed report: "Cadastre: Serb Soldiers Deep Inside Republic of Macedonia Territory"]

[Text] The Serbian soldiers who have taken positions on the strategic peak Straza, with an altitude of 1,703 meters, in the locality of Cupino Brdo, near Kriva Palanka, have penetrated between 550 and 600 meters into the territory of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]. This can be concluded from the cadastre of the Kriva Palanka Geodesy administration. The sketches of this region, according to the Kriva Palanka Geodesy administration, were made in 1967, and processed in 1968.

According to these sketches, that is, the one from the cadastre county of Luke, of the Kriva Palanka local assembly, the peak Straza, with [words indistinct] elevations at 1,702 and 1,703.5 meters above sea level, is at a distance of 550 meters air line from the neighboring cadastre county of Surdulica, which is on FRY territory.

Today's VECER writes that there is still no official information as to what is happening on the peak Straza and when the Serbian soldiers came there. It is found out that the members of the Macedonian Army, who control the border region, have sent information to the Defense Ministry, however, it has still not been officially issued.

There are some assumptions that the Serbian soldiers have been at these positions for about a month, and they were first noticed by the villagers from Podrzikonj and Luke, who were not allowed by the Serbian soldiers to approach their land parcels, which are in the immediate vicinity of the border. After the news about the Serbian positions on Macedonian territory, NATO observation patrols, made up of U.S. soldiers, stationed themselves near the Macedonian Army camp, two days ago, and their intention is to stay in this volatile region for a while.

VMRO-DPMNE Presses for Border Protection

AU1706135794 Skopje NOVA MAKEDONIJA in Macedonian 17 Jun 94 p 4

[Text] The VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Movement for Macedonian National Unity] considers that the threats to the security, autonomy, and independence of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] from the frequent border incidents and activities of Serbian forces on the border with Macedonia represent a serious problem, and that the urgent protection of the sovereignty of the Macedonian state is required, in conformity with the basic postulates defined by international law and international agreements.

The pro-Serbian leftist government coalition, which fully controls the Macedonian Assembly, has not yet proposed any legal measures to define and support Macedonia's state border with Serbia, as well as with other states, and thus respond to these activities of our northern neighbor. Because of all this, the northern state border is still being treated as an administrative border.

The VMRO-DPMNE considers that the government of Branko Crvenkovski and Macedonian President Kiro Gligorov are most responsible for not resolving this situation, because so far they have not done anything to contribute to adapting the Macedonian legislation to international law on state sovereignty and the protection of territorial integrity. According to VMRO-DPMNE, there can be no justification for this leftist ruling coalition, which has not yet passed a new law on the control of the state borders, on protecting the inviolability of the entire length of the borders and thus defining a way for solving border violations and incidents, which are occuring increasingly frequently.

Minister Counsels Calm Over Border Incidents

AU1706151794 Skopje MILS-NEWS in English 17 Jun 94

[Unattributed report: "No Need To Heat Up Tension"]

[Text] Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] Defense Minister is presently on a visit to Paris, participating in the debate on security in Europe. In his telephone interview for Radio Skopje, concerning the current situation on the Macedonian-Serbian border, he stated all the facts he had pointed out 10 days ago, at his lecture for the Macedonian Army field officers, are current now as they had been then. [sentence as received] Nothing significant has happened in the meantime, he said, adding there is no need to heat up the tension.

SPS: No Danger From Northern Neighbor

AU1706172794 Skopje MILS-NEWS in English 17 Jun 94

[Unattributed report: "Identical Attitudes With Serbian Socialists"]

[Text] The press conference of the Democratic Christian Party in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], held in Belgrade, focused on the Orthodox religion and Macedonia. Representatives of this party have been guests of the ruling Socialist Party in Serbia [SPS] for already two days. We are discussing possibilities of opening a process of unity of all orthodox and Christian peoples in the Balkans, as a part of the all-European integration process, the party leader Vasil Ristevski said. He stressed his party has identical points of view with the Serbian Socialists on all main issues concerning the Balkan political crises. He also pointed out he had been assured Macedonia is not faced with any danger coming from its northern brotherly neighbor.

Representatives of the party were also received by the Serbian Government and the Holy Synod of the Serbian Orthodox Church.

Party Protests 'Violation' of Serbian Rights

AU1706135694 Skopje NOVA MAKEDONIJA in Macedonian 14 Jun 94 p 4

[Text] The Democratic Party of Yugoslavs in Macedonia [DPJM] has protested after the Macedonian authorities banned the entry and stay in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] of some Serbian Orthodox priests, and considers that this cannot be compatible with a democratic society.

The DPJM has also protested because yesterday some other Serbian Orthodox priests were not allowed to enter Macedonia as civilians either, which represents a serious violation of the democratic and constitutional principles of Macedonia, and it is another instance of the tough repression of the population of Serbian nationality, which has already been deprived of its rights.

The DPMJ has also protested the irrational and, in its view, irresponsible statements by the Head of the Macedonian Orthodox Church Mihail.

Clash in Tetovo Over Census; One Stabbed

AU2006090794 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 20 Jun 94

[Text] A Macedonian youth was stabbed during the clashes between Macedonians and members of the Albanian ethnic minority in Tetovo. The tension between the two ethnic communities is rising in light of the upcoming public census in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM].

The Albanians, who officially constitute 23 percent of the population, boycotted the last census in 1991. They claim they account for 40 percent of Macedonia's population. In western Macedonia, which is seen as a potential hotbed of clashes, the Albanians make up approximately 70 percent of the population.

Two Arrested After Incident

AU2006122594 Skopje MILS-NEWS in English 20 Jun 94

[Unattributed report: "Murder in Tetovo"]

[Excerpts] Yesterday, Vase Trpcevski from Tetovo was killed in a street fight after an argument between two groups of Albanians and Macedonians [[The Former Yugoslav Republic of Macedonia—FYROM]. The Interior Ministry issued a public announcement, explaining a street fight broke out at about 2100 [1900 GMT], near the Colourful Mosque in Tetovo, involving a group of about 12 older underage Macedonians and about 15 Albanian citizens, which ended in murdering the 18 year-old Vase Trpcevski, who was stabbed near his heart. The group of Macedonians was coming back from a party and was attacked by a bigger group of Albanians. Two of the attackers Suleiman Skondori and Adnan Sodiu were arrested at the border crossing of Deve Bair during an attempt to leave for Turkey. The police also imprisoned Rusit Rusiti and Menduh Zendeli, possible murderers.

Eight Macedonians were treated at the Tetovo medical centre. Two of them are kept for hospital treatment and the others were released. [passage omitted]

Tetovo citizens, especially the Macedonians, are unanimous in their condemn of the crime. They also reacted against the city police preventing doctors to provide first aid for the injured Macedonians on the spot. The situation in Tetovo is presently calm, but tense.

On the occasion of young Vase Trpcevski's death, his family received telegrams of deep condolences by President Gligorov, parliament president Andov, and Prime Minister Crvenkovski.

Federal

Economics Minister Holds Talks in Baghdad

LD1906173894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1520 GMT 19 Jun 94

[Text] Baghdad, 19 Jun (TANJUG)—A Yugoslav delegation, headed by Milorad Unkovic, federal minister for economic relations with foreign countries and president of the group for economic and technical cooperation within a joint Yugoslav-Iraqi committee, held talks in Baghdad today with Iraqi Deputy Prime Minister Tariq 'Aziz.

During the talks, described as cordial, both sides expressed satisfaction over the cooperation between their countries so far, and prospects to promote it further when conditions make this possible. Global world problems after the end of the Cold War and its implications on the two countries were also discussed.

Milorad Unkovic briefed Tariq 'Aziz about the current political situation in Yugoslavia and the economic recovery program. He also explained to his host the position of the Federal Republic of Yugoslavia on the former Bosnia-Herzegovina and other war-torn parts of the former Yugoslavia. The Yugoslav minister stressed that Yugoslavia should be reintegrated in the international community as soon as possible.

The Iraqi deputy prime minister said that the parties in the conflict should show more flexibility in the talks in order to find a compromise solution leading to a lasting peace.

Radoslav Bulajic, deputy Yugoslav foreign minister, briefed Tariq 'Aziz on the international position of the FRY [Federal Republic of Yugoslavia] and its foreign policy principles. The main direction of Yugoslavia's policy is that of peace, of resolving all conflicts peacefully and observing all international norms and the UN Charter, Bulajic stressed. The talks resume in Baghdad tomorrow.

Foreign Minister on Peace Prospects for B-H

BR1706141094 Brussels LE SOIR in French 17 Jun 94 p 2

[Interview with Yugoslav Foreign Minister Vladislav Jovanovic by Edouard Van Velthem; place and date not given]

[Text] [Van Velthem] In the past week, the latest cease-fire in Bosnia-Herzegovina seems to be holding. Is this good news for Belgrade?

[Jovanovic] Certainly. We want to see a complete cessation of hostilities without any conditions and have been arguing for this for several months already.

[Van Velthem] From the start the Yugoslav Government has defended the European plan for the partition of Bosnia. Is it at the same time exerting pressure on the Bosnian Serbs to induce them to accept this peace process?

[Jovanovic] I do not believe this is necessary. The Bosnian Serbs are resolutely constructive in this respect. They accepted the 49 percent allocation of territory several months ago now during negotiations on the British aircraft carrier "Invincible," and confirmed this accord in Brussels when the Twelve submitted their action plan. Today, without making any objection in principle, they are primarily seeking to improve not the quantity but the quality of the territories allocated to each side. Radovan Karadzic reminded Andrey Kozyrev of this when he met with him in Moscow earlier in the week.

[Van Velthem] With respect to Russia, there is rather the impression of a coldness between Moscow and Belgrade since the angry outburst against the Bosnian Serbs by Mr. Churkin, Mr. Yeltsin's emissary.

[Jovanovic] That is a false impression. What happened between Mr. Churkin and Mr. Karadzic is purely a matter for them, we were only indirectly involved. Our relations with Russia remain good, there is mutual trust, and there is no lack of communication.

[Van Velthem] If political dialogue is renewed, are you going to demand guarantees on the lifting of sanctions against Belgrade?

[Jovanovic] We have always been calling for this. It is inseparable from progress in any peace process, the one is not possible without the other. We also insist that the question of lifting the embargo should be laid down in the agreement itself. I am not saying that it must be lifted immediately and automatically at the moment of signing, but it must be treated as an unavoidable international obligation. The peace agreement and the lifting of sanctions must be treated as twins in a sense.

[Van Velthem] What is today the economic situation of Yugoslavia under the embargo?

[Jovanovic] There has been a clear, even spectacular, improvement since the stabilization plan launched by Mr. Avramovic, now the head of the National Bank. We are still a long way from the day-to-day circumstances we would like, but there has been a clear change in the past four or five months. Hyperinflation has been checked, the dinar exchange rate is holding up, and prices are stable. The energetic efforts by the government to maintain this level has met with a much greater serenity on the part of the population than previously. There is also renewed respect for law and order, despite sporadic incidents that are the direct result of the proximity of the war in Bosnia. In short, compared with the tensions we previously saw, there has been a general calming process at work, economic, social, and even political. Most of the parties are coming together in support of a core of national and state interests. That was far from the case before.

[Van Velthem] In Bosnia itself, associations of Serb citizens are continuing to demand the preservation of the undivided, multiethnic state. Do you support such initiatives?

[Jovanovic] It is not a movement, it simply serves the pretensions of the Muslim authorities to be representative of Bosnia's three communities. There are a small number of Serbs there who are either "little collaborators" or people

who are unable to choose their position faced with the Muslim authorities. But it is a marginal phenomenon. In Sarajevo, in Zenica, or in Tuzla, the silent majority of Serbs still present is simply waiting for the first opportunity to leave their ghetto and join the territory of the Srpska republic. It is a sad reality, but it must be acknowledged, and not only on the Serbian side: Among the Croats and the Muslims too, there is growing migration to return to regions controlled by their nationals. These areas have seen a fratricidal war.

[Van Velthem] Peace in Bosnia would not be enough to bring calm to the Balkans. Major questions remain open, Krajina or Kosovo in particular.

[Jovanovic] The Krajina question is a part of the general Yugoslav crisis. A procedure in three stages, which we support, has already been launched between Knin and Zagreb. The cease-fire has been achieved, the normalization of economic relations will follow within the next few days, and the field will then be clear to attack the most sensitive and most complex objective, a permanent political solution.

Kosovo on the other hand is a separate issue, distinct from the present Yugoslav crisis, internal to the Federal Republic grouping together Serbia and Montenegro. It is a problem of separatism that has existed for at least a decade. We have guaranteed wide-ranging cultural, territorial, and administrative autonomy to our two provinces, Voivodine and Kosovo. We have no problem in the north because the populations concerned exercise their prerogatives. In the south, on the other hand, the Albanians refuse all dialogue, reject democratic electoral procedures and boycott the institutions proposed to them. We have always said that national minorities have the right to develop their four principal identities, ethnic, religious, linguistic, and cultural, and these needs are assured by our new constitution.

[Van Velthem] Would this go as far as reestablishing the internal autonomy previously granted by President Tito?

[Jovanovic] Albanian leaders themselves admit that this is no longer possible. The models of the past have become inadequate for new circumstances. Yesterday's Yugoslavia no longer exists, and the international community that did all it could to achieve that should be the first to realize it.

Djilas on Fascism, Postcommunism, Bosnia

BR1706141994 Rome L'UNITA in Italian 17 Jun 94 p 2

[Interview with former Yugoslav dissident Milovan Djilas by Alessandro Curzi; place and date not given: "After Bosnia Anything Goes"]

[Text] [Curzi] You recently talked about three kinds of fascism—the Serbian, the Croatian, and the Muslim—and about the threats of contagion to huge areas of our continent, our Europe. But Europe seems to be distracted, concerned solely with its many various forms of selfishness. A strong right-wing tide exists in many countries. In Italy there has been talk about changing, shifting our country's borders eastward. What would you like to say to the Italian people now, in this situation?

[Djilas] I said there is a typically Balkan kind of fascism that I consider worse than the Mediterranean fascism, because it is full of racist elements. And it is racism not against colored people but against neighbors, similar people. More precisely, they do not embrace fascist ideology, but they use fascist methods. Of course, the protracted war in Bosnia and the existence of the methods I mentioned encourage the Right throughout Europe. Today the Right is enjoying a definite recovery almost everywhere, and especially in central Europe, France, and Germany. With regard to the question of borders, though I do not presume to give any advice or issue any messages, I would tell the Italian people that any change in this regard could have unimaginable and even catastrophic consequences for Italy.

[Curzi] In the former Soviet empire people seem already tired of post-communism—especially in Poland and Hungary. The leader of the Right, a member of the Hungarian parliament, told me that there is no longer any fear of communism. What do you think motivates those people? What options will be taken in the years ahead?

[Djilas] There are many factors that influenced those elections. The countries that experienced the socialist revolution, such as Yugoslavia and the Soviet Union, now have the greatest difficulties—more so than the countries that were under the domination of the Soviet Union itself. These difficulties are due above all to these countries' ethnic structure; and let us not forget that the Soviet Union, now Russia, had strong imperialist tendencies. It will take a long time to overcome these tendencies; there must be a different kind of society that does not need imperialism. Russian society has not yet reached this stage of development; it is still a bureaucratic society with major problems regarding social changes. As for Hungary and Poland, the Left was victorious, but they are not Stalinist communists. The victory was won by reformist communists and young people who want freedom and social justice. Communism is a great movement that has always embodied different currents, but with the victory of Stalinism all these currents were eliminated, destroyed. We can say that Lenin's communism will never return, or will only return with minority groups. These groups exist in Serbia too, but they do not have a major political role. So the victory in Hungary and Poland can be explained in terms of those peoples' desire to salvage and develop certain values that existed during the communist era and that could be destroyed by a sudden transition to capitalism. This is the most important reason. Also, the parties of the Right and center have not proposed anything new; indeed, their ideas date back to the period before World War II. However, new ideas have been put forward by the Polish and Hungarian socialists. I believe that what happened in Hungary and Poland is a good thing because it tends toward democracy and free trade.

[Curzi] I would like to ask you another question, concerning ideology. Is it possible, on the eve of the year 2000, to still have hope in your ideals, the ideals of a socialism

with a human face that will truly bring democracy throughout Europe and throughout the world?

[Djilas] The ideals of democratic socialism have never been formulated in a determined manner. I spoke in general terms, that is, I am in favor of democracy—but the kind in which social problems are resolved. I believe that in Scandinavia they have been fairly successful in this, but we must not underestimate what has been done in the past 50 years in Germany, France, and Italy in the field of social affairs—health, the right to education, and so forth. We live in Europe or, rather, "you" live in Europe, and I live here in Yugoslavia, where there is war; whereas in Europe nobody's life is in danger, nobody dies of starvation, and nobody is homeless or unable to study. Europe today is ideologically almost entirely social democratic, which means that the threat from the Right is even greater and that, unless we halt it, the consequences could be tragic. It is necessary to halt the right-wing extremists, who are opposed to the parliamentary system or in favor of limiting social rights.

[Curzi] With regard to the terrible war that is devastating the former Yugoslavia, what responsibilities does the West bear; what should Europe and the United Nations in particular do to resolve the problem and to initiate a peace that will be truly honored by the tormented peoples of the former Yugoslavia?

[Djilas] The war in Bosnia has prompted—or, rather, revealed an internal crisis that already existed. The West's failure to respond brought about an extraordinary situation: After Bosnia anything goes. It is enough to be strong and to have a little political circumspection, and anything is possible. The international laws that govern conflicts and relations between states and peoples no longer apply. So unless order, by which I mean international order, is restored, the entire system on which all the Western values were built will continue to crumble. Nobody wants to do anything concrete.

[Curzi] I would like to ask you a personal question. Could you tell me a happy memory and a sad memory from your life? Let us start with the sad one, so that we can end this interview on a hopeful note.

[Djilas] My most tragic memory—not even bad, but tragic—was the death of my wife last summer. Throughout the years of persecution, isolation, and my son's exile, we became a single person. That was the most difficult moment in my whole life. My worst memory concerns my conduct when my case was discussed by the Central Committee. Indeed, it was very different from how I would have liked.

I recovered very quickly, but I had to pay for my mistake. That is how it is. If you are consistent and believe—and I have always believed in communism—you have to first throw yourself into the mire and then if you can, you stand up again and continue. As for my fondest memory, it is difficult to say. I think it has to do with my son, who spent 10 years in exile—our meetings and then at last his return to Yugoslavia. I really think those were the most beautiful moments of my life. But I do not think that my life has been difficult or tragic. I chose my destiny. I decided everything, or almost everything. Of course, nobody can decide everything: I was also subject to conditions. Be that as it may, I made my decisions, and when you decide on your own, it is not easy.

Serbia

Opposition Weekly Sees Signs of Early Elections

94P20894A

[Editorial Report] Without additional commentary, the Belgrade opposition political weekly VREME publishes on pages 12 and 13 of its 30 May issue "18 Indications of Early Elections." Among them are the following:

—Serbian President Slobodan Milosevic visited the agricultural fair in Novi Sad, where he was welcomed by directors of agricultural combines and factories, tasted wine, and effusively praised farmers.

—In mid-May, for no apparent reason, the Serbian Assembly discussed sowing.

—The Government of Serbia decided to give one loaf of bread each day to the poorest citizens of Serbia for the next two months.

—City transportation in Belgrade is somewhat improved.

—Charges have been brought against a group of delegates of the Serbian Radical Party for having prevented an official from carrying out his duties in connection with the expulsion of a delegate from a session of the Chamber of Citizens of the Federal Republic of Yugoslavia (FRY) Assembly.

—A large group of foreign journalists were guests of the Serbian and federal governments, which tried to "sell" the journalists the "truth about Serbia" and "flooded" domestic news media about their efforts.

—Four political parties (the Serbian Renewal Movement, the Democratic Party, the Democratic Party of Serbia, and the Serbian Radical Party) have announced an initiative to have Radoman Bozovic, president of the Chamber of Citizens of the FRY Assembly, dismissed.

—"Belgrade diplomatic circles" announce the lifting of sanctions against the FRY "as early as 30 May" according to a TANJUG report.

—Zoran Djindjic, leader of the Democratic Party, announced that the party will organize a "Week of Struggle Against Sanctions." The action started with Djindjic and the party's top leaders making voluntary blood donations. "This is apparently the first case of the leaders in a national campaign giving blood—usually the blood is sought from the people."

—G. Kalajic, "ideologist of the Serbian fascists," praised Mirjana Markovic, wife of Slobodan Milosevic, and sent

her a message saying that differences between the rightists and communists are much smaller than the chasm that separates those two groups from "corrupt European liberals."

—The two "kums" (Serbo-Croatian term for baptismal godfather or best man at a wedding, which denotes a special relationship or bond) Vojislav Seselj, leader of the Serbian Radical Party, and Vuk Draskovic, leader of the Serbian Renewal Movement, have made peace without "cancelling out the programmatic differences" between the two parties.

DS Leader: Preliminary Map 'Unacceptable'

LD1706194994 Belgrade TANJUG in English 1852 GMT 17 Jun 94

[Text] Belgrade, June 17 (TANJUG)—Zoran Djindjic, president of the opposition Democratic Party (DS) in the Yugoslav Republic of Serbia, said Friday that the preliminary version of the map for territorial division of Bosnia-Herzegovina was unacceptable for the Bosnian Serbs. Djindjic told a press conference in Belgrade that political entities created after Bosnia-Herzegovina's division had to be viable and connected territorially. "The preliminary version takes into consideration only the Moslem-Croat territorial entity while the Serb entity is discriminated," he said.

The contact group for Bosnia—which includes representatives of the United States, Russia and the European Union—is preparing a plan for Bosnia's division granting 51 percent of the territory to the Moslem-Croat federation and 49 percent to the Srpska republic.

When the proposal is adopted by the foreign ministers of the countries represented on the contact group, it will be presented to the warring sides as an ultimatum.

It is strategically important that the cease-fire hold, said the DS president.

The truce shows that the international community has chosen to begin a territorial delineation, he said and added that this was not irrelevant because two concepts had been on the table so far—the Serb, proposing a territorial demarcation, and the Moslem, proposing a unitary Bosnia. The one-month cease-fire agreement, signed in Geneva last week, took effect on June 10.

Media Threatened by Proposed Restrictions

94P20898A Belgrade BORBA in Serbo-Croatian 19 May 94 p 5

[Editorial Report] In an article published in Belgrade in BORBA on 19 May, page 5, under the title "Minister Favors Some, Ignores Others," the Independent Association of Journalists of Serbia [NUNS] points out that a recently proposed law which would require all news media to obtain government approval prior to receiving financial support from any foreign source proves that "the Government of the Federal Republic of Yugoslavia has not abandoned its idea of achieving complete control over all the media in the country." The media which might be granted such approval would be required to identify their published materials and their radio and television programs as being financed by a foreign source. This requirement, according to NUNS, "represents an attempt to satanize the media which are not favored or financially supported by the government." NUNS also points out that Ratomir Vico, minister of information of the Republic of Serbia, had not even responded to their request for a meeting. On the other hand, NUNS adds, he has offered his full support to the Association of Journalists of Serbia, an organization that was "unexpectedly reactivated following a prolonged period of inactivity." Thus, NUNS accuses the minister of favoring one association while ignoring another.

On the same page, BORBA publishes another article titled "Death Sentence for the Independent Media." In this article, the International Federation of Journalists [MEN] states that "if this law is adopted, it will mean a death sentence for the only independent voices existing in the country and refute all illusions that the Serbian Government has any concern for democracy." MEN further notes that the government's main objective is to use this new law against such periodicals as BORBA and VREME and such radio stations as "B 92" and "Studio B," which in many respects depend on foreign support.

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